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ASSEMBLY INTERIM COMMITTEE ON GOVERNMENTAL EFFICIENCY AND ECONOMY

HEARING IN SAN FRANCISCO
September 11 and 12, 1962

PART II.
H.R. 440 (Hawkins - 1961)
Relative to Efficiency and Economy in Governmental Operations and Services

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H.R. 440 (Hawkins - 1961)
Relative to Efficiency and Economy in
Governmental Operations and Services

MEMBERS OF COMMITTEE:

Lester A. McMillan, Chairman; John T. Knox, Vice Chairman;
Clark L. Bradley; Ronald B. Cameron; Lou A. Cusanovich;
Edward E. Elliott; Richard T. Hanna; Joseph M. Kennick;
Harold K. Levering; John A. O'Connell; John C. Williamson

CONSULTANT: Maxwell Miller SECRETARY: Teddy B. Wilcox

By Mr. Hawkins:

House Resolution No. 440

Relating to an interim study of efficiency and economy in governmental operations and services

WHEREAS, The unprecedented increase in the population of our State has brought with it both benefits and problems, requiring frequent reappraisal to ascertain whether state and local governmental facilities and services are being located in areas most convenient for the public needing such facilities and services; and

WHEREAS, Transportation, parking and other problems in certain communities create a hardship on many citizens of this state who wish to avail themselves of these services, due to the fact that some locations have been selected without full regard for the public convenience; and

WHEREAS, There has been an alarming increase in use of forms, reports, and other kinds of paper work, with oftentimes unnecessary multiplication of such papers; at increasing cost to the State in terms of direct expense, manpower; and to the annoyance and harassment of the public; and

WHEREAS, Many governmental agencies might better serve the public if they studied and adopted methods and principles now employed by private industry and business with relation to providing convenience, accessibility, and faster and more economical service to the public; now, therefore, be it

Resolved by the Assembly of the State of California, That the Committee on Rules is hereby directed to assign to an appropriate interim committee for study the general subject of this resolution including efficiency and economy in governmental operations and services at all levels of government and that such interim committee report thereon with its recommendations to the Assembly not later than the fifth calendar day of the 1963 Regular Session.

ASSEMBLY INTERIM COMMITTEE ON GOVERNMENTAL EFFICIENCY AND ECONOMY

HEARING IN SAN FRANCISCO, September 11 and 12, 1962

PART II.

SUBJECT: H.R. 440 (Hawkins - 1961) Relative to Efficiency and Economy in Governmental Operations and Services - Agency Overlap, Paper Work, State Air Transport Pool, Acquisition of Lands, etc.

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ASSEMBLY INTERIM COMMITTEE ON GOVERNMENTAL EFFICIENCY AND ECONOMY

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PART II.

SUBJECT: H.R. 440 (Hawkins - 1961) Relative to Efficiency and Economy in Governmental Operations and Services

Tuesday, September 11, 1962

CHAIRMAN LESTER A. McMILLAN: We have two gentlemen with us this afternoon and it will be impossible for them to be here tomorrow afternoon when we take up the matter of House Resolution 440 pertaining to agency overlap and paper work and acquisition of lands. They are here today and we would like to get their statements in the record. Mr. Walter Isenberg from the Adult Authority. Did you submit a written statement to the committee, Mr. Isenberg?

WALTER ISENBERG: I submitted one to the secretary.

McMILLAN: Well, then, just make comments, will you?

ISENBERG: Mr. Chairman and members of the committee, I am a representative with the Adult Authority. I am not a member of the Adult Authority. I spent about 27 years in the correctional field, the last 18 of which have been spent in the Department of Corrections. If I could make a few comments, Mr. Chairman, and then any questions you may have, I certainly would try to answer. The subject that is now being discussed to the best of my knowledge was introduced in the Assembly by Mr. Hawkins as Resolution No. 267, passed by the Assembly, and I was asked to appear as a result of this action. I believe this is the identical subject that I submitted as a State Merit Award Suggestion of March 30, 1961. My suggestion that I submitted to the State Merit Board proposed that a change in procedures would result in a savings of better than $1,000,000 a year to the taxpayers of the State of California. Now this suggestion envisioned the usage of the County Probation Officer's report in lieu of the clinical study section that

is now prepared in the three reception guidance centers in the Department of Corrections. Now I have worked in this correction field primarily in the helping services. Unless I had felt that the results to the inmates and to the treatment efforts would be as beneficial under this proposal as what we are now experiencing, I would not have made this recommendation. I hope you can appreciate the sensitivity of making a proposal that would bring about drastic changes to a state agency, while still employed as a part of that agency. In all fairness, before I sent this to the Merit Award Board, I had called the secretary and informed the secretary that in my capacity I had reviewed merit award suggestions in the past. I was familiar with the procedure of sending them back to the agency. I asked for nothing more than an impartial evaluation and study of the proposal. The Merit Award Board referred this to two sections in the Department of Finance. The attachments, the material, that I have distributed to you gentlemen include a brief letter from me, a copy of the merit award suggestions, the replies that have been received from the two departments in Finance, one from the agency, and a reply that was sent to me by the secretary of the Merit Award Board.

I don't know whether I can put this idea across. But when a man is convicted in any of the superior courts in the State of California, prior to the imposition of sentence by that superior court judge, the judge may ask the county probation office to make a probation report. Now, there are 58 counties in the State of California, and there are 58 different methods of doing this. However, the content of this report, although the format may differ, is almost identical in all of these. Some of the elements that are contained in this report are the circumstances of the offense, the crime the man had been arrested and convicted on, the prior criminal history, the social study, the examination of this person's background experience, his work history, perhaps, and this varies with counties, a psychological or even a

psychiatric evaluation. The probation officer in turn, then, submits this to the court and the court then uses this document as a help in determining whether the man gets striaght probation, county jail, or goes to a state prison. Penal Code Section 120301 specifies that the judge and the D. A. can make his recommendation to the Department of Corrections. It specifies that the county probation report also go to the Department of Correction to be received with the inmate. Now, within the Department of Corrections, we have today three reception guidance centers, one is at Vacaville, one is at Chino, the other one is at Tracy. When this man is received in the reception guidance center an entirely new report is prepared by the Department of Corrections which is called the Clinical Study. Now this was authorized by legislation in Penal Code Section 507079 which created the psychiatric and the diagnostic clinics within the Department of Corrections. Now, in this process this becomes the first portion of what is known as a cumulative case summary which is prepared on every inmate, processed through the Department of Corrections. While the man is in the reception guidance center for a period of about two months, we prepare this new instrument which goes into the identical area, the circumstances of offense, the past criminal history, the social background, the employment record, perhaps of psychological or psychiatric evaluation and then a plan is formulated for this man's adjustment within the institutional study. Now, if the committee is willing, this is my own typing on this report, I spent the weekend typing it. For the shortcomings, I want to apologize. But if you would be willing to just glance at some of these comments that have been received -- I tried to label them with an identification on the bottom. The "B" is a reply sent to the Merit Award Board by Mr. Berke, and I think Mr. Berke according to my information is in the organization and cost control division in the Department of Finance. This letter does nothing more than state, if

the Department of Corrections would require a survey, the Department of Finance would be willing to make this survey. The next illustration, which is "C", is one prepared by a Mr. Messner, and I understand that Mr. Messner now is in the Budgets Division. Now Mr. Messner makes an error, but I think we have to be tolerant because he hasn't had the experience of some of the rest of us, when he makes the statement, "One is looking at an accused and the other at a convicted offender." Both of these individuals, probation, or within prison, is a convicted offender. Now he makes the statement that the counties are independent and the Department of Corrections has no control over these. This is in essense, correct. But he also says, if the policy of the Department of Corrections should change we would review our suggestion. Now, I have next as "D", a quote from a statement prepared by the Department of Corrections representative. This is Mr. Stutsman who in now deputy director. And Mr. Stutsman, I think, agrees with my contention primarily when he says "Probation officers' reports do not meet the exact needs of the Department of Corrections although they do cover identical areas in many cases." Now, he also makes the statement that not all cases have a probation officer's report. They are not all eligible for probation. This is true, but the penal code allows the judge to ask for a probation officer's report, even in those cases where the man isn't eligible for probation. To the best of my knowledge, far less than 5% of the cases received by the Department of Corrections do not have a probation officer's report.

McMILLAN: Would you make it mandatory that the judge require it? A probation report?

ISENBERG: I think it is almost mandatory as it is now being practised. Quite frankly, I feel that any help that can be given to a sentencing judge, to the Department of Corrections, any kind of assistance would be useful, and so far as I can see, yes, I think the

probation officer's report is a helping device, and would be indeed one instrument that would help us in this field. Now, Mr. Stutsman states there are 58 methods of preparing these reports. I made this in my original statement. I came to grips with this when I had proposed it. I knew this existed. Now the logical question would be, and of course I am a dreamer in some respects, that a standard format that would be used by all probations offices throughout the state would probably increase probation service as well as probably helping meeting the needs that I envision might be made of this instrument by the Department of Corrections. Mr. Stutsman also mentions the likelihood that state subsidies may have to be necessary. Well, if my contention is correct, that we could save well over a million dollars a year, then perhaps state subsidies to help improve probation service wouldn't be too impossible or too harmful for us to think about. Mr. Wise, who is the Secretary of the Merit Award Suggestion Board, and his letter is the last one, makes the comment there, a parallel suggestion was made by the CYA Administrative Analyst, which was, I think, in December, 1960.

Perhaps I might give you a little of my background experience. 27 years in the correctional field, 18 in California. I came to California in 1944, started at San Quentin. The guidance center, the first guidance center, was opened at San Quentin. One of my first jobs was to merge the clinical report received from the guidance center with the institutional record to prepare this for the Adult Authority, parole field, and other uses. I conceived of the idea of the development of the cumulative case summary which means that you take the guidance center report, the clinical study. To that you add the institutional record of adjustment and to that you add the parole adjustment, so you have a continuing process from received, to final discharge. I introduced this program. For two and a half years, I reviewed every clinical

summary that was prepared by the Reception Guidance Center for the Director of Corrections. I was responsible for the use of this material by the classifications committees on a statewide basis in central office. I worked in the parole division and saw how this was used or not used by the parole division. Now I am sitting with a member of the Adult Authority in the various institutions of the state, making decisions whether or not to parole men from those institutions. And I see this other kind of a set-up. I don't think there is a person in the State of California who has had the background that I have had, nor the qualifications to discuss this subject. Now, gentlemen, I don't know how to put a point across. This is the first time I have ever had this experience. I made an estimate that the economic savings would amount to well over a million dollars. I tried to find out what the actual expenditures are. Here my shortcomings will be brought to the surface. For the professional and clerical staffs in the three reception guidance centers in the Department of Corrections, now these are salaries only, based on whatever the estimated budget of the 1961-62 year was, that I don't understand, but merely for the positions, it came to $829,398.00.

McMILLAN: Mr. Isenberg, could I ask you a question? I haven't had an opportunity to read your statement that you submitted, but do you advocate the elimination of the reception centers completely?

ISENBERG: Mr. Chairman, if something could be done as well without the expenditure of a million dollars, then of course I would advocate it. And, in my opinion, this would produce an instrument, a document that would improve our service over what is now being done.

McMILLAN: Who pays for the probation report?

ISENBERG: It is county.

McMILLAN: Who pays for this clinical service, the state?

ISENBERG: The state appropriates money, it is part of the Department of Corrections. Now, you have to bear in mind, this $829,000.00

does not include the two reception guidance centers in the Youth Department. They have two. It doesn't include the medical or the dental costs. It doesn't include the housing, the custody costs nor the treatment. It doesn't include the cost of the building of these reception guidance centers. I have a quotation that I would like to read from a document, a letter signed by the Director of Corrections, dated March 30th, 1961, headed the Reception Guidance Center, and this is what the introductory paragraph stated. "The increasing number of inmates forecast by projected intake figures for the Department of Corrections during the next several years requires that we re-evaluate our procedures for receiving and processing new commitments, youth authority wards and parole violators. The alternative to such a re-evaluation is the construction of at least two 600 or 700 reception guidance centers in 1970." Now, gentlemen, I am a little bit at a loss here. I don't know whether a legislative committee would desire or care to do anything. The mere fact you are willing to listen to me reconfirms my belief that this kind of government that we live under -- I firmly believe that this idea has merit. It can save money, but more important, I think it can improve the service that we are trying to give to inmates of our state prisons. I appreciate your kindness in listening to me, and I'll be glad to try to answer any questions.

KENNICK: Mr. Isenberg, boiling this down into a sentence or two, you are suggesting here that the paper work now done at the guidance center be transferred to the county probation department.

ISENBERG: It is already being done there.

KENNICK: In a few cases, and certainly with an altogether different thought in mind in the preparation of the paper. In California in the indeterminate sentence law, a man is sentenced to prison but not to a particular prison. He goes into a guidance center, doesn't he? There we have, we at least hope, qualified diagnosticians who are going to

attempt to determine what institution in the State of California is best for this individual, which is out of the province of the probation officer at the local level, way out of his field, he is not interested nor concerned in it. So the probation report written by the probation officer, other than asking a few similar questions, such as where were you employed the day you killed your wife -- I presume the answer is going to be the same no matter how many times that question is answered, but it is answered with a different thought in mind. It is asked with a different thought in mind. I think you have the same situation here as if I'm sick and I go to a doctor and he tells me what he believes is wrong with me and I go to a second doctor and he says to me, I'm not going to do anything but look at your first doctor's report, and treat you on that basis. I would be very dissatisfied with the type of service that I was getting. Now, I admire you very much for seeking out methods of cutting down the huge cost of crime in the State of California, and I sincerely hope that I am wrong in some of my thinking. But I can't visualize in the State of California, and you have been in this business a long, long time, the quality of probation reports written in the State of California by and large, would be absolutely worthless in a professional diagnosis of the cirminal tendencies of a man, other than the exception of perhaps two or three counties. Isn't that correct? If you were going to do this thing, and do it right, I would have no objection, and incidentally, the state would save money; the counties would spend an equal amount; so I presume it would be as broad as it is long. You would have to go into every county in this state, set up a very adequate, well-staffed probation department, with well trained people and change their goal so far as their probation report is concerned. They were concerned on whether or whether not this man is a fit subject for probation. Now, in the guidance center, and you know more about that than I, this is not the thought. It's an entirely different thought. I'll grant you that the question may be asked twice,

where did you work and what was your mother's name, and that answer is going to be the same twice. But there are many other answers to the same questions that may have a real bearing on the placement and the possible rehabilitation of this man. Isn't that true?

ISENBERG: Well, may I answer your question generally -- it is a discussion. I can't accept any other concept than that individual in the superior court in the State of California is the same individual in the state prison of the State of California. And I can't work on any other assumption than trying to see this individual once more back as a free member of society, perhaps in the same county where he stood as a convicted offender.

KENNICK: You're sitting with a member of the Youth Authority, determining whether or whether not a man is a fit subject for parole. Do you want him to say to you, I answered these same questions for Mr. Levering two weeks ago, why don't you ask him? Or do you want to hear from him? Why he is a fit subject for parole. Not that he told me about it, or told seven other people about it.

ISENBERG: Mr. Kennick, in sitting in a parole role, we change this. You find yourself taking on responsbilities like I've never taken on before. I don't have the answers that I am always looking for. I use the best clues, the best hunches. But you know the thing that I keep looking for is that man's adjustment within the community, how he is going to return to that community and his family.

KENNICK: Do you ever say to a man at this hearing, what did you do before you got in trouble? Do you ever say that?

ISENBERG: I ask all kinds of questions.

KENNICK: It is in the record. Why do you ask it? If you look in the record you could see what he did. The whole point is, that you are attempting through your questioning to develop something out of the

man's answer to the question that you are asking. And I think it would be the same thing in the guidance center. I admire your desire to cut the expenses of the state, but I think you have two separate functions.

ISENBERG: I agree there are two separate functions.

BRADLEY: Maybe Mr. Kennick has had more experience with this than I have. My knowledge as to what the report is that is formulated at the reception guidance center is very limited. I am assuming from what you have informed the committee, Mr. Isenberg, that the report that is formulated at the reception guidance center is very similar to the probation report that is prepared by the adult probation officer prior to the sentencing of the individual, and that therefore you have a remarkable duplication of work. If this is true, then what more is done at the reception guidance center that would be of such importance as to justify the continuance of the reception guidance center? And I think that is your point, isn't it?

ISENBERG: It's my point. I am not maintaining all the functions now performed in the reception guidance center --

BRADLEY: You are, in effect, saying that some of those functions could be dispensed with.

ISENBERG: That is what I am saying.

KENNICK: I agree with you. The questions of work, what is your mother's name, where did you work, when is your birthday, that's all on the probation officer's report. But by and large, Mr. Isenberg, I think you'll agree, the probation officer writes a social history, and that is his function. He doesn't have a man who is on his way to San Quentin or anywhere else. He has a man who possibly is applying for probation. So he is writing a social history on this fellow. Now, when he gets to the guidance clinic, the investigation is much deeper than this. He is given psychological examinations. I presume he is given psychiatric examinations. I still say, they can use the top part of the probation

officer's report -- his name hasn't changed, his birth date hasn't changed, his residence hasn't changed, but the information has changed considerably.

BRADLEY: May I ask this question along Mr. Kennick's statement, in your opinion, Mr. Isenberg, would it not be possible if there are any material additional facts that would be required, that are now, say, obtained at the reception guidance centers, that there would be other places or sufficient additional time to obtain this information, and to complete the adult probation report that would be used as a substitute for the basic report now being prepared by the reception guidance center?

ISENBERG: That is right, and I think in answer to Mr. Kennick's comments, they are for different purposes. The reception guidance center looks forward to the institution where this man is going to be transferred.

KENNICK: Have you made a survey of what it would cost the taxpayers of the County of Los Angeles, if they made this complete report on all people appearing in the superior court in Los Angeles?

BRADLEY: Mr. Kennick, I submit that the Adult Probation Officers' Department in Los Angeles County is doing substantially this at the present time. I know we are doing this in Santa Clara County.

ISENBERG: Well, Mr. Kennick, the staff at the reception guidance center in Chino made a survey of the adequacy of the reports received from the Los Angeles County probation department, and I don't have the survey here, but in essence they said it was the most valuable tool that they had, in handling this. I am not claiming that all counties are doing the caliber of work that is being done in Los Angeles County, but Los Angeles County alone would take perhaps 40% of all the people who are received in the Department of Corrections. Alameda, Contra Costa, San Diego, there are counties that are doing a very adequate job in the preparation of probation officers' reports. I am not maintaining that

all 58 are doing this, but I maintain that we should strive to help all 58 counties do this as best we can.

McMILLAN: Mr. Isenberg, we certainly appreciate the statement that you have submitted here, and I think it is something that when we have a chance to read it, that we will certainly give it some very serious consideration, and I personally want to commend you and compliment you on bringing this idea up. This subject will not be taken up until tomorrow afternoon, but your report will certainly be incorporated in our report and it will be given very serious consideration. I am sure all the members of the committee appreciate your effort. Mr. Elliott.

ELLIOTT: One question -- you are not suggesting that the reception guidance centers be closed down?

ISENBERG: I don't know what would have to be done. All I am saying is, "Let's make a survey and see what can be done." I don't have all the answers.

ELLIOTT: You, of course, do realize, don't you, I believe it is commonly accepted, the concept that there needs to be an adjustment period before the individual is assigned to an institution, and that there needs to be a reception center for the purposes of receiving the offender and using that as a place in which he can be located, and this is a necessary function, and it might not be desirable to do away with it.

ISENBERG: I don't know, Mr. Elliott, what would be necessary.

ELLIOTT: Have you considered this factor?

ISENBERG: Yes, I have considered this factor. I have worked in another state where it wasn't done.

ELLIOTT: The individuals were sent directly from the court to the institution.

ISENBERG: Directly to the institution.

ELLIOTT: Of course that means that the assignment has to be in the county of sentence, then.

ISENBERG: Or receive them at Chino and send them then to the institution, in say 3 or 4 days. I don't know.

ELLIOTT: Just one other question -- on the clerical personnel involved for the clinical reports -- are those the figures for the clerical personnel to operate, to run the whole operation at the reception guidance centers?

ISENBERG: It includes both the clerical and the professional personnel.

ELLIOTT: For the entire operation.

ISENBERG: At the reception. Not the custody staff, not the --

ELLIOTT: I understand, but I am just wondering whether or not your considering those figures as a saving, would necessarily be predicated upon the closing down of the reception guidance centers, does it involve that, because you eliminate all the clerical staff, or a drastic curtailment of the operation.

ISENBERG: With the increase within the department of Corrections, I am quite certain that these positions could be used very, very effectively elsewhere.

ELLIOTT: I wasn't thinking in terms of the saving, I was just wondering whether or not your figures for the saving would necessarily involve the closing down of the operation at the centers, because they wouldn't have the clerical personnel to operate.

ISENBERG: This was merely the total cost of all the staff.

ELLIOTT: I just wondered, would it really be that much of a saving, unless you close down the centers.

ISEMBERG: If you operate, a staff would be needed, obviously.

ELLIOTT: I think these things would have to be taken into consideration, whether or not your figures as to actual savings are valid figures for the state.

McMILLAN: Thank you very much, Mr. Isenberg. I am sure we

appreciate your suggestions and the paper you have submitted to the committee. We have one more witness who wants to be heard tonight because he cannot be here tomorrow. I don't think it will take very long. Fred L. Jones, Resources Agency and Executive Officer, West Side Freeway and Aqueduct Recreation Development Committee. Mr. Jones.

JONES: Mr. Chairman and members of the committee, first let me thank you for receiving me out of order like this, and I will be brief. I submitted a number of copies of a prepared statement to Mr. McMillan's office in Sacramento, so I believe all that is necessary to do now is to explain to you very briefly why this statement was submitted at all. The Resources Agency is involved in two projects, particularly, that may result in legislation at the next session, and it should result in considerable savings in this general field of coordinated use of state properties. One of these is an interagency study which is called for by a Senate resolution, Number 53 of the last session, and authored by Senator Fred Farr, which calls for an inter-agency study between the Departments of Public Works, Water Resources, Fish and Game, Parks and Recreation and the Office of Planning in the Department of Finance. In regard to acquisition and development of land for the west side freeway, the California aqueduct and recreation associated with those two, along the west side of the San Joaquin Valley. We are coming to a conclusion of this study. We have already been able to initiate some action, prior to completion of our report, in coordinating land acquisition for recreation along with the right-of-way acquisition, which is going on with some of the same property owners. This sort of thing can result in considerable savings, and that is one of the main things we are aiming at. We're working closely with cities and counties that are directly concerned down there. This report will be distributed to all members of the legislature on both sides. We've not had a formal platform for discussing what we are doing with the Assembly side very

much, because this is a Senate stimulated study.

The other effort had to do with state lands. At the present time the State Lands Commission is considering a revised land management and sale program, which could serve to modernize drastically, you might say, state land philosophy. Up to this time we have primarily been trying to dispose of our state lands which are disposable, but we feel that in the interest resource management and in the interest of managing outdoor recreation, that many parcels of disposable state lands should be retained by public ownership, that other parcels should be used as an exchange base with federal agencies, forest service, and bureau of land management, particularly, and possibly others, to consolidate state land holdings in areas where other state agencies such as Division of Forestry and Division of Beaches and Parks, Fish and Game and Water Resources, ultimately plan acquisition of lands for management purposes. In other words, we would like to make use of the state lands we now have. rather than having disposal going on on one hand and acquisition for state purposes coming along shortly thereafter.

We are reviewing state land management philosophy in regard to resource and recreation management. Another Senate Resolution has to do with this. This was S.R. No. 22 of the Third Extraordinary Session last summer, which asks the Lands Commission to take no further action on this proposed management and sales policy until they have received some advice from the appropriate Senate committee. This turned out to be the Senate Committee on Natural Resources and Senator Brown is holding a public hearing on the 27th of this month of that committee and the State Lands Commission in Los Angeles to evaluate public interest in this proposed program. It is possible that the Lands Commission may act in October on some form or another of a modified lands policy. Some of the things that the resources agency will recommend and has

recommended will require possibly, legislation at the next session. For that reason we wanted to bring this to the attention of this committee at this time.

McMILLAN: Thank you very much. Any questions from the committee? If not, I would like to announce that we have a heavy agenda for tomorrow, and I would like to ask the members of the committee if they will be here at 9:30 tomorrow morning instead of 10 o'clock. If we start at 9:30, we should be able to complete our agenda. We'll have Mr. Nelson, who will be here at 9:30 and that will enable us to finish up tomorrow afternoon. So, if you will be here tomorrow morning at 9:30, we'll appreciate it. The meeting will be adjourned until 9:30 tomorrow morning.

Wednesday, September 12, 1962

McMILLAN: Now that concludes our testimony on House Resolution 465 by Mr. Hawkins relative to fire protection. Now we will enter a new field of investigation, one that I think is of great interest to all the people of this State. A resolution was presented and adopted at the last Session of the Legislature asking this Committee to explore the possibility or the feasibility of establishing a State air transport pool. This may be a new concept in our State, but I think that it has great possibilities; we now use a State automobile pool which has proven to be very effective and efficient. So the purpose of this meeting this morning is to explore and hear testimony from Directors of Departments who would be vitally affected by this air transport pool.

We will start off, appropriately I think, from Mr. Clyde Barnett, the Director of the Division of Aeronautics.

CLYDE E. BARNETT: My name is Clyde E. Barnett. I am Director of the California Aeronautics Division. I think the best way I can orient this particular issue is to tell you about the drunk who called up his wife to come and get him; and when he didn't know where he was, she made him go out and look, and he came back and reported he was on the corner of Walk and Don't Walk. Well, this issue is the same thing. It's a question of Fly or Don't Fly.

McMILLAN: Where did you get that story?

BARNETT: Down in your home town.

McMILLAN: You're worthy of better than that.

BARNETT: We have a very sincere conviction, gentlemen, that there definitely are areas in the State transportation requirements where air transportation could be used effectively at savings in cost over ground transportation. The establishment of a minimum pool of heavy equipment

has become a practical possibility in our belief. We believe that the transportation of prisoners, for instance, in the Department of Corrections, between various institutions which you are now carrying on, on a sizeable scale, is a feasible thing under coming and current trends of what's happening to us in our industry. I'm sure it doesn't take much imagination to realize the problem, particularly as you get into the heavier felon or better class, that this would save a great deal of guard time. It sometimes takes twenty hours to do a job which we could do in an hour. You might say this would be the automation period of transportation in California.

We have in California, for instance, a hundred and seventeen airports where a fully loaded DC-3 could operate. At the present time the airlines can only offer you service to about thirty-one or thirty-two such airports in California for transportation of prisoners, and there are many reasons why they do not and have not gotten into the air transport of prisoners on a professional basis. The cumbersomeness of this setup - I have actually heard of several experiences, for instance, in the haul with as little distance involved as from Folsom to Soledad has sometimes been broken up into a two day deal, where they had to send guards ahead who were rested to take on the next shift, and they have to go into motels over-night. This is, to us, a little ridiculous, when we could take a DC-3, do the same job, have practically no exposure in danger of losing any of these people, or having them hi-jacked, or exposure to the public or escape. We could do it in forty-two minutes flying time from the same two points.

The security of prisoners en route could certainly be handled better by air than any other means.

The transportation of patients between institutions has become

big business in the State and involves rather a large cost, obviously. The emergency transportation of fire-fighting personnel, both civilian and prisoners, is something that we're not geared up to do properly nor cheaply. I think if you will ask Mr. Nelson here what he has to pay for charters to do emergency transportation and then ask the cost in terms of what we lose while the fire is going on while they round them up and haggle over charter arrangements with airlines and start from scratch in every case, as it were, with either major charter air operators, you will discover some rather fantastic costs involved.

The transportation of Department and Agency higher priced people is certainly becoming a feasible thing to us. Other positions and managers who are in almost constant travel status, in many cases the cost could be cut by use of smaller units. We feel that there are many individual, justifiable emergency needs of other Departments, the cost of which, to the taxpayer, could be cut substantially by the availability of light aircraft. Now, we're talking about small single and small twin-engine aircraft, where the single engine aircraft, for instance, operate for about the same cost as a first-class automobile.

The civil defense or disaster emergency transportation requirements of the State and particularly on a stand-by basis, where you stop hauling prisoners and suddenly put them into other things, and having the equipment and the personnel ready to go, is a justifiable consideration in this particular issue.

We feel that every effort should be made to avoid competition, however, with private enterprise. We're very strong on this. We should not parallel airlines where it can be avoided. And where specific routine hauls develop, where we have blocks and pieces of it

that re-occur on a repetitive basis, these eventually will become regular and systematic enough that they could be broken off and put out to private charter at a bid. We don't feel that the State ought to go over-all into this. Only as it proves out where it's feasible for the State to do it.

Gentlemen, we come face to face with a problem that we've had, what I would call, a failure of the feeder-line concept in California. The feeder lines were put into business and are still under pretty heavy subsidy to service the small outlying communities, such as Fort Bragg, the intermediate stops that never will generate enough traffic really to be trunk airline airports. We have lost twenty-four of those, gentlemen, in seventeen years. Fundamentally what has happened here is that due to the fact the Federal Government will not authorize a new airline anywhere in the country, and the trend is merging the ones we have, this is the only back door that's available to the airlines to go into business. This is the only way that they can get in business, and we have had what I would consider many abuses in this line. What happens here is, the only way you can start a new, major airline - as an excuse to parallel present airlines - is to pick up the intermediate stops. Many of them have started, many promises have been made to give this service, and you've all seen what happens. We've lost all these stops, primarily because, actually, the airline is trying to get into a trunk position. They don't really have any interest in serving these intermediate stops; and the abuses occur when they get a small town excited about giving them air service, and make them spend two or three hundred thousand dollars to qualify their airport to get up to the standard to give the service, and then after three, six, nine months or a year, they go off and leave them. We've

had many of these. We've lost Ukiah, Redlands and Fort Bragg in the last few months, and Salinas, as typical of cases in point. They get, under this new "use it or lose it" concept of the Civil Aeronautics Board, we've even had the cases where the airlines seemingly deliberately abused the stop and cut down the service in order to get it down to five people a day so they can say, they don't use it so let's lose it. Well, this puts a big crimp in the availability of any airline transport you use.

However, we still feel that wherever possible and when possible and as it develops - now, mind you, no one has any particular great amount of experience - we have about eighteen states experimenting with this in a minor way. I'd say the average of those that are in it, are usually on a four, five or six pieces of equipment basis to start with, and it only evolves as the utilizing of it proves that it does save money. This is a rather high priced commodity, it's a high priced product, it must have a high productivity. We certainly don't feel that any carte blanc efforts should be made to go furnishing all-out air transport to everybody in the State who thinks he needs it. But on the other hand, there are very definite and simple tests of whether it is or it is not; it's just going to take some rather intelligent screening of what particular hauls do and what particular needs are met by it.

And before any specific or intelligent conclusions of need or possibility can be arrived at, it will be necessary for all Departments to survey their traffic requirements, which, incidentally, has never been done in California. We have no data to offer you because it doesn't exist. Therefore, we recommend that your Committee request such information of the various Departments, for consideration at one

of your future hearings. You can perform a service here that none of the rest of us have ever been able to get anyone to do, or anyone interested enough to do. It comes down to this: we need some rather specific things, we need actual comparison of work-a-day figures on what it costs individual Departments to transport people both ways. In the cases of individuals it probably comes down to a question of running some experiments. We do have a few isolated cases, I think you have some witnesses coming up, who will tell you their experience in this matter.

We recommend the establishment of a small pool of light aircraft or pilots for off-airline travel by the State's executive groups where high salaries and high per diem allowances make the over-all cost greater by ground travel. This personal transport problem obviously would have to start more or less in the top echelons. There are now many individuals who not only deserve this air transportation, but for whom it would be economically sound to provide the same, when one considers the foolishness, for instance, of having a man in the winter time putting on chains and going over the high Sierras, down to Bishop or up to Susanville, he can spend a day and a half getting there. I can take him there in a light airplane that actually costs the taxpayers about the same amount of money it would cost to run a Pontiac and I can put him there in forty-four minutes. If he's going to spend an hour and a half or two hours of consultation time, and back again, and his salary is up in the $25,000 a year rank, why, obviously, here's a man who effectiveness you can double or triple or quadruplicate. You are, in a sense, having four Willy Mays at bat instead of just one. It's that simple as far as it comes down to individuals. Besides that, having to fool around with an automobile is dangerous.

The air transportation problem of the Governor, for instance, is a serious one. The Governor has a tremendous travel problem and at the moment he's relying on the National Guard. He's in a DC-3, a rather archaic one, by the way.

Most States are beginning to recognize this. We have some twenty-four States that have gotten into furnishing their own equipment for their own Governor. He doesn't belong in a DC-3, for the most part. There are occasional exceptions, of course, where a large number of people are involved and he needs a large aircraft. But for the most part, he belongs in a small twin, that can get him into a greater flexibility of where he wants to go. In his particular case, I have studied the problem enough to know that ninety percent of the time they are fifty, sixty or a hundred miles away from where they want to be, simply because they're using that great big DC-3. Although there are about a hundred and twenty five airports in California that can take him, he rarely can get where he wants to go. A small twin-engine aircraft, for instance, could increase his flexibility from that hundred and twenty five airports to as many as thirteen hundred places in California where we could put him down, if he'd come down to a six place piece of equipment that would run on, maybe, a fourth as much cost as it does to run the DC-3.

McMILLAN: Doesn't the National Guard have a twin?

BARNETT: Well, they don't. I don't know why. That's all that's ever been made available to him, and I'm not qualified to discuss what the National Guard can or can't do, or will or could not do or should do.

It seems to us obvious that these odd places that people always seem to get stuck to go to, like Garberville, for instance, well, you

just can't get there any other way in anything like a reasonable length of time.

McMILLAN: Is there an airport at Fort Bragg? For light planes?

BARNETT: Three very fine ones. We had to blackmail them to get them to do it - but, two of them are private by the way, you have to secure advance permission from either a lumber company or a local group.

To give you some idea of how this goes at the present time, we have offered ourselves, with our very limited equipment, on an emergency basis only, to Department heads, Constitutional officers, and deputies and so on, on an emergency basis. If they were actually in trouble, if they actually got stuck somewhere, air transportation, if we could fit it in with our normal travel and it didn't discommode us too much in the pursuit of the duties you have assigned to us, we have taken them along on a free-loader basis. Over the last year I've gotten around with Finance to where I have an arrangement by which I actually charge these people the cost of it. So far, that's only a token service. We have performed this on some hundred hours basis in the last six months. In almost every case it was a rather serious problem where some official, such as the Attorney General or somebody like that, who had two speeches together or two meetings such as this one too close together and they just couldn't get there any other way. If we couldn't figure out how to get them there by private transport or get a charter for them that would be reasonable or something they could afford, why we would do it because we are the only ones who have had any experience in this and we can tell you that it certainly makes a lot of sense in some of these cases.

However, it will require some rather serious screening and it certainly is something that needs some definite and specific controls

to it. It possibly would even have to have two levels of screening, by Finance Department and by ourselves. The reason is rather simple. It takes somebody with a lot of aviation background and know-how to judge this matter. For instance, Gentlemen, if I can take you this afternoon to Bishop and fly from San Francisco in about an hour and twenty-five minutes on a beautiful sun-lit day, in my single-engine airplane that cost me no more than a Pontiac to run, that's one thing, but if we have a weather condition, and I have to twin engine equipment and two pilots and I have a ten hour layover, that would be something else again. In almost every case somebody is going to have to sit and say yes or no, that this does or doesn't make sense. Quite frankly, in all honesty, I want to tell you that although I have turned down six requests so far this week, to go, many of them I solved by putting them on some kind of involved airline travel. Many of our state employees don't know the routing in the state. We don't have a transportation coordinator, that will discover the cheapest way to go, and many new people don't know or just don't take the time to figure it out. This comes into the problem.

The Federal Governmenta has for many years been transporting prisoners by air in large heavy aircraft. We would like to make a recommendation to you that a survey be made of their experience, their costs, and what has happened in this field.

McMILLAN: Mr. Barnett, is that Federally owned planes?

BARNETT: Yes, sir. They are clear up in DC6's now, in this category. Of course they have transcontinental hauls to make, too, with large numbers of people on a regular basis. We recommend that a study be made of their experience in this matter, what it costs them on a per seat mile basis as compared to any other means of transportation down to and including the automobile. We hereby offer to make such a study before your next meeting if you so desire.

You cannot buy a system of air transport "off the shelf". It must be evolved. It must be develped slowly and efficiently in order to guarantee maximum safety and maximum economy, and efficiency is necessary. We recommend that any effort in this direction be started on a very minimal basis and expanded very slowly and then only after a comparison of costs so justify in an individual given case.

Someone, somewhere, must exercise judgment as to when this will and will not occur. If there is a factor, we're rather stuck with some rather serious problems and this probably wipes out the savings you would make at that time. I would like to state here that my own experience and that of many of my colleagues -- I travel about 60,000 miles a year in California -- I have only been held up by weather on two occasions in the last two years, that I couldn't go when I wanted to go. And I strictly adhere to their statement level, Sunday afternoon, quiet, fine. I have been doing this all of my adult life and I have long since gotten into the category that I am real cautious about it. Quite frankly, gentlemen, my approach is one of extreme caution. We feel that we can't afford an incident, much less an accident. We would like to see this approached on the same basis. We don't want to be put in a position if we end up with a problem of having to do a vast expansion, because this takes time to acquire the right people with the right judgment and the right attitude, and it takes a good many years to acquire, to develop that attitude and that judgment. And quite frankly, you can't buy these people off the shelf, I don't care how careful you are in screening, you've got to actually fly with them a lot before you know for sure that you can put one of our top people in with them and he'll get him home or at least he will get him back on the ground. Anything in the way of movements that humans do, if you are going to get out of bed in the morning, there is a calculated risk involved, and this, like everything else has its problems. Gentlemen, we claim and can look to,

on a proper basis, like fire or anything else that man uses as a tool, if properly exercised can be done with a great deal more safety than any other kind of human movement.

It is quite feasible to save State personnel time by recognizing that those individuals who own their own light aircraft and are properly licensed should be able to use them to meet their own travel requirements by use of their aircraft. We recommend that State Board of Control rules on mileage allowance be adjusted to economically permit this. Only slightly higher per miles cost would be offset by the 20% less miles than by road and the saving in salary and extra per diem costs. We already have in the state, gentlemen, some 200 trained people, and this is a waste of talent not to use them. What it comes down to is, that usually -- let's take a case of Los Angeles to Sacramento, you're dealing in maybe 24% less miles involved, so you're paying a man for less miles, so therefore you have to pay him a little more to offset his higher airplane costs if he operates his own aircraft.

McMILLAN: Clyde, how could this talent that we have, this 200 qualified people you say we have in the state government, how could they be utilized in a program?

BARNETT: Many of these people are already on travel status and many of them are hide-bound by what means they can get there and, or, an automobile. There are probably a lot more than that, Mr. McMillan. I just happen to know of 200. We have collected, as we have gone over the years, information on what the departments have, what people. We have turned up about 200 of them. There may be a great many more that I don't know about. I will give you some cost figures here later, that will demonstrate this a little better.

BRADLEY: Who are these 200 people? He doesn't make this clear.

McMILLAN: I'm not clear on it, either. You spoke something about 200 people who are qualified --

BARNETT: Hit or miss. All over the state. People that already work for the state and happen to be pilots.

McMILLAN: Qualified pilots.

BARNETT: It's an accident. I just --

McMILLAN: Well, how could they be utilized? They have their duties to perform.

BARNETT: Those that are actually traveling. Many -- we have quite a few that own their own aircraft now, but they can't use them because of the problem that it takes about 10½ to 11½ cents per mile to operate the lightest of the safe aircraft that are big enough to be a saving in time and effort. You obviously can't --

McMILLAN: They could operate through a pool, is that it?

BARNETT: There are several ways to do it. I will develop them for you here in a moment. It goes like this. You can rent an aircraft at somewhere around 12½ cents and come out on it. These people are capable of this thing, have the licenses to go do it. We start off a great many people from Sacramento every morning that could actually save money by renting aircraft at regular retail rates. There is another way to do it, and that is to allow them enough that if they travel enough they could buy and own aircraft themselves, they would be glad to do it, if they could just come out and get an even break on it, or even come close to it. You have a witness here later in the morning that can give you a lot of specifics on his past struggles. He has tried to do it on 6¢ a mile and he can't do it. And he goes in the hole every year. And he can give you some specifics.

We recommend the State Board of Control rules be adjusted to allow the higher per mile cost of renting aircraft for that reason. It is one of our basic recommendations.

We recommend against a pool of aircraft to be operated at random by state employees even if they are well qualified. The general

condition of the state's auto pool cars will certainly bear out the experience that "Everybody's maintenance problem is nobody's problem." And I think if you have taken many of these cars out, the thing will come home to you rather abruptly that when the pool car goes sour, it just sits on the side of the highway. Incidentally I saw two on my way down here last evening, two inoperative cars. No drivers in them, just sitting there. This is just one experience. I have seen many, and I am sure you have. In aircraft we can't afford this kind of maintenance. I'm a nut on the subject, myself. There are only six mechanics in California, for instance, that I'll put my airplane into their hands. You just get so you don't care what it looks like, but you are awfully fussy what that engine is like. This comes down to the problem pure and simple that some one man must be -- have a personal interest and a personal dedication to the welfare of that equipment to successfully operate it. At this time we don't feel that aircraft should be made available on a pool basis just every morning, pick something and go, sort of thing. Now there are other alternatives to this, if we maintained light aircraft for the specific use of specific people, that's a different thing, or specific department that had two or three people that were responsible. This is successful in many states. We have some 21 states now doing this, where they assign them to a given department after that department actually has proof that it has a sufficient need for this type of air transport for its own people who are qualified to handle it themselves. And/or, in 12 states, they furnish pilots for them. But they are assigned to a department. But we recommend against a random thing such as you have in your pool set-up today. The alternatives to doing this, gentlemen, are just entirely too risky.

I have developed for you, and please bear in mind in the time allotted to us we didn't have what I would consider an adequate length of time to develop anything like a workmanlike job of researching this,

but I do have some comparative costs to give you some idea as to how this goes. Necessarily when you get into comparative costs, you are in a highly complex thing in this business, because it depends on individual interpretation of costs; it depends upon each individual company's approach to its problem. There are many variables in this. All I can say to you for sure in this, that we are facing a period of time here where we will be in a rather preferential position that we have never been in before as a state government that will allow us to acquire equipment at a fraction of its original cost, and/or, completely free of cost. As you know, the Federal government is now retooling. We are beginning to have in the question of mass transit or wholesale transit big heavy aircraft come on the surplus market. Unlike any other kind of equipment, aircraft are maintained, theoretically at least, as good as the day they are manufactured. They get regular 25 hour checks, 50 hour checks, and 100 hour checks, all of them comprising different things. The airlines are beginning to sell off equipment as well as the Federal government. Right now you can purchase DC3's for 25, 30, and 35 thousand dollars that are in absolutely A-1 shape, and they have many years of good useful life left in them. Also we have serious commitments from the Federal government that there will be available under state priority, states having one of the top priorities, this surplus equipment that the military is shucking off. They have quite a few DC3's left. One of these could be operated very economically by the state, or perhaps even two of them. We don't know. Corrections can probably give you some better figures and estimates than I can on the matter. You'll have a later witness who is a specialist in this particular thing. I would like to make, while you are familiarizing yourself with the things across there and dreaming up the questions I know you will have, a few other factual item statements bearing on this particular problem.

Due to the airline equipment changeover to jets there are currently

many opportunities to purchase these large piston engined aircraft at bargain rates. In addition to the above outlined equipment we feel that -- no, skip that. One of the problems in airline transportation of prisoners as you know is that they cannot manacle them. Therefore this precludes the shipment by air of a great class of prisoners. The exposure and the security risk is just simply too great. The key to this whole problem is maximum utilization of equipment. You will have several of the departments here giving you much higher costs, for instance, than I give you there, simply because they cannot, under their specialized funtion, utilize their equipment to maximum utility. The changeover time, for them changing it to a photography airplane or to some other kind of a utility takes several days. They simply can't get that airplane into the air and keep it in the air. I can't emphasize too strongly that utility is the key to low-cost airplane operation. We can, we feel, get this down eventually to 4 or 5 or 6 cents a mile, if we could actually utilize light aircraft on that basis, and maybe a third or a half of what the charter operators can quote you on the open market, if we actually get into high utilization of a 1,000, 1,200, and 1300 hours a year. That's the problem. It is a question of utilizing the equipment in a relative short space of time. The other two factors that bear on this immeasurably are, if we have no depreciation, and depreciation is a big factor in anybody's business that is doing it for hire, certainly the airlines are up against fantastic depreciation costs, and the only way they can possibly get around it is this high utilization on a per day basis. But if we have none, we take a very high percentage out of the cost of this kind of business. Likewise, insurance is a tremendous cost to the individual operator. We have several dozen operators in California operating DC 3's and that type of equipment. Almost all of these people are up against a pretty stiff basic insurance cost. However, under the state set-up, our own experience and those of

other departments has been that we get insurance, when put into the overall state master plan of insurance, the blanket policy, is very cheap. My PD and PL is almost infinitismal compared to what a private operator has to pay.

Then we come to the manpower cost which is the thrid largest cost of course in any operation, and this one, here the state is in a very preferential position if it does its own job. It's this simple. We do not need high priced people to do the pilot and the co-pilot job in the heavy equipment or the pilot in the light job. Bear in mind that the airlines and most of the charter group are up twenty-five, twenty-eight thousand dollars for the left hand seat, and $15,000 on the right. This is because of the tremendous ratings and frankly, unions, are their major problem. The unions are very strong in this. We can do the same job with 6, 7, and $8,000 people that they do with $25 - $28,000 people, and do it with equal or perhaps even better safety. There are a lot of reasons for this. We don't need to have APR ratings for these people, although we can get them. But we don't need to pay for them, because there are so few airline jobs available. Bear in mind, gentlemen, the entire United States fleet at the moment of the whole productive airline group only numbers about 2,000 aircraft. There are 98,000 other aircraft in the country flying today, and our training rate and our supply so far exceeds the demand that we have talent to burn. There are few in that very fortunate position of being able to ride the left hand seat on one of the few airliners that are available. Gentlemen, today's charter costs, if the state were to do any of these things on a charter basis, are largely high, because of the high initial aircraft cost, and high depreciation, very high insurance costs, exceptionally high personnel cost, whereas with surplus equipment, little or no depreciation, and comparatively low man cost, we feel that something could be done in this very definitely that would cut the state's overall transportation

bill.

One other factor that would influence your decision and discussion on this is that the state is already in a number of businesses inadvertently which can contribute to this. For instance, at the Duel Institute over in Tracy, you are overhauling aircraft engines. You are producing aircraft mechanics, and quite successfully, I may add. We have been able to place a number of these people quite successfully that have been adjudged thoroughly rehabilitated, and incidentally we haven't had a single breakdown that I know of yet. Overhauling large engines or any aircraft engine is a rather expensive process. If, for instance we can, with Mr. McGee's help, and he has promised me this help, work out some arrangement where we could overhaul our engines at such an institution, again we can get a substantial savings worked in, or cranked into this program. It all depends on how you go at it, and how you do it. It requires judgment, experience, and know-how.

In the case of transporting patients who are not ambulatory, I think it is rather obvious to you if you think about it for a moment, the set-up frequently involves now not only a doctor and a nurse, but a guard and a driver. Well here, because of the lapsed exposure to the patient, many times we can get away with only a pilot. Here again is an area in which the state is doing quite a bit of this on a rather expensive per mile cost basis.

Like any other new proposed set-up or new method of doing things, there are things that are practical and others that only seem practical. These should be carefully tested and experimented with over a relatively long period of time. We feel that the activity must be high to make this work, and we feel that it must be gone into very carefully and very cautiously, but it is a very factual thing on a number of fronts. I am sure you gentlemen have some questions. I am fair game. Fire away.

McMILLAN: Mr. Barnett, can you tell us, if you have the information, about the progress being made in other states? Along the air transport pool line?

BARNETT: We have some states doing things I don't agree with. We have three that I know of that are providing a rather good sized pool of aircraft that they just use on a random basis. Their experience is rough, and they are having trouble with it, primarily because no one person is interested in the problem of maintaining and seeing that that airplane is kept in first class shape. Beyond that -- airplanes unfortunately, one way or another will vary tremendously in their makeup, and you can't get out of one and into another as you do in an automobile with little or no trouble. You must be checked out in it, and this is a problem. It would be almost insurmountable. I certainly wouldn't want to attempt to keep track of any great number of people's personal experience and what they can or can't do, and I certainly haven't got time to go out and fly with each one of them and check them out every time that they change equipment from one to the other. Even a whole line of like airplanes will frequently have unlike equipment in them. You see we have to equip an airplane after we buy it barefoot with radio and specialized things in it for specialized purposes. And in order to have a wide range of equipment to do different jobs you end up with this problem even if you bought them very similar to start with. I have not had time, gentlemen. You gave us two weeks' notice on this and this came down to four working days for me, by the time I got to it, to do an other state survey for you. I will -- I understand you are having another meeting in October, if you so desire I'll be glad to get you a good breakdown on it.

McMILLAN: Well, has any state to your knowledge developed this idea of a transport pool, air transport pool?

BARNETT: Twelve, sir. There are 12 now that are doing some

transportation of prisoners. Actually we are way behind the counties in this. You will find in California I think some 20 counties that are already doing this. They own and operate twin-engine Beeches.

McMILLAN: Does Los Angeles County have any?

BARNETT: Los Angeles operates six pieces of equipment. Now, I don't know that they are for transportation of prisoners. I know they do some charter in this. If you have to pay for a lay date (?) of a prisoner in other states, you can afford to use a lot of air transportation real quick. I mean, letting him lay around for a month until you build up a pool of people to go get, or 3 or 4 to go get, and as you know, the case in the paper this morning, of San Francisco sending five people down to get one nice old lady. There's a light aircraft chore if I ever saw one. Little old lady, maybe I should have said.

McMILLAN: Any questions from the committee? Mr. Levering.

LEVERING: I presume that you have given quite a little thought to this suggested program, and I wonder, when you talk about starting it on a minimal basis, I suppose you have some idea of what you mean by minimal basis. Could you tell us what your budget is now, and what your proposed budget would be to put this in operation on a minimal basis?

BARNETT: I can't give you exact dollars in figures. Actually we are around $90,000 in our budget at the moment, and it has nothing to do with this kind of thing, and we don't get into this sort of thing very much. I would say that you should consider, as a start, one big piece of equipment as far as prisoners are concerned, until it is demonstrated you need anything more, and likewise in the small field, I think two small aircraft, manned, would be adequate to start with. This is something that should evolve and grow very slowly, and if you go out and purchase a DC-3 at the moment, you're in 25 - 30 or 35 thousand

dollars, somewhere along in there, for a reasonably good one. This operates as you can see on that sheet for anywhere from 55 to 70¢ a mile, depending on many factors that I can't go into with you here, because they are too involved, but I think if you went across that sheet you can see the actual experience of the airlines in the matter. It isn't a practical thing to go at from a charter point of view until you do develop it and get a known haul and get known periods of time of operation. Mr. Engle, I think, will possibly give you some definite requirements in that field, and in the light aircraft field. I think that it should grow strictly by trial and error. When you are talking light aircraft we are talking about maybe a Cesna 182 that would cost somewhere around $18,000 at the present time. And possibly a light Travelair Beech, that would be a small twin-engine Beech. If you get stuck with whether you have to go to twin-engine, you have to go to two pilots to get through it. That is, if you go on instrument conditions. I think we possibly could go into this on a used basis, $25,000, although they are $54,000 new. They can be bought a matter of months old. They have a tremendous depreciation in private hands. Conversely, the state's experience in this is excellent. You bought me an Avion that cost $4800 in 1948 and I just sold it for $12,000. Generally speaking the public is willing to take state flying equipment because they know it has been well maintained, and beyond that they know that we are real cautious and careful with it. We operate our equipment very, very conservatively. If they recommend a 2300 revolution per minute speed for the engine, we usually fly it 200 revs under that. The airplane itself certainly does the job as far as we are concerned, without beating it to death. Of course, most of our operation is for entirely different purposes. We are checking flight patterns on airports, for instance, where speed is not an essential to the problem.

LEVERING: When you come before the Department of Finance, or

you come before the legislature, you're going to have to come up with something concrete. You may not have it now, in the way of a budget. Specify what the breakdown of this budget is, what you want to buy, what it is going to cost for operation, and so forth.

BARNETT: You are quite correct, Mr. Levering.

LEVERING: You are talking about coming back in October. Why don't you develop those figures and get them to us. At the present time we are listening to your presentation which is very good, but I think the committee would be interested in having some facts from you as to what your estimated cost would be if we are even going to consider this program.

BARNETT: Of course. We would be glad to, Mr. Levering. You see, we did not come to you with a specific proposal. We came only with recommendations. You were studying the subject, as far as we knew.

LEVERING: I know, but if we are going to study it, one of the most important factors, I think the taxpayers want to know, is what is it going to cost us.

McMILLAN: Mr. Levering, I think this is so far-reaching, that probably it is not possible for Mr. Barnett to make a study of this and present us with comparitive figures. It seems to me that this might be a subject for the Joint Legislative Budget Committee to explore and come in with a very comprehensive report, because there are so many ramifications to it, that you are not financially able, through your agency to carry on this sort of an investigation.

BARNETT: That's right.

ELLIOTT: Mr. Barnett, you are not proposing that an air transport pool be established, but merely that the Aeronautics Commission act as a sort of a coordinating agency for this information? That that possibility be explored?

BARNETT: We could do it. I did not presume that you would end up

giving it to us. Maybe you will give it to somebody else.

ELLIOTT: There should be a coordinating agency that has this information.

BARNETT: I do say that whoever you put into the business ought to know something about it and have some experience with is, because this is a complicated thing and you can certainly lose money on it real fast, if you don't watch it.

ELLIOTT: Do you know of any other agency in the state that would logically be in the position to perform this function other than the Aeronautics Commission?

BARNETT: Well, you have Fish and Game that have operated aircraft, and your Fire people are now pretty hip deep in aircraft, and have had a lot of experience with it. We are somewhat logical, but I certainly don't want you to think I am trying to build an empire. I did not come here with this specific proposal. This is not a proposal on our part. We are just trying to develop for you what could be done, if you choose to do it.

ELLIOTT: Well, it appears to me that it would be necessary to demonstrate that your program would be more than self-financed by the money you indicated might be saved this way. It would have to be on that basis I would think. When Mr. McMillan mentioned the Legislative Budget Committee I think he was thinking on those terms to some extent.

BARNETT: We will be glad to put it together as a specific proposal. In this case we would go into it in some depth, if we have the time.

McMILLAN: Well, I had in mind, Mr. Elliott, the budget for this Aeronautics Commission is what -- $90,000? This is a study that probably would cost close to $100,000 in itself.

BARNETT: It all depends on how deeply you go into it. I don't think actually that you need to go into it. You have several other

witnesses that will go into it and be developing other facets of this. May I suggest to you that you listen to them and maybe get a better overall picture of the general question. I'll stay here and come back if you like.

ELLIOTT: Just one other question. Do other states -- you mentioned transporting mental patients, patients of state mental hospitals. I wonder, do other states among these 12 states that have --

BARNETT: We have 26 states that go into ambulatory --

ELLIOTT: They do transport mental cases?

BARNETT: In every category, it varies tremendously.

ELLIOTT: I wonder if there could be a problem sometimes in transporting mental patients, taking them by air.

BARNETT: Rarely. Speaking of this, I have not any personal knowledge, and I work rather closely with my counterpart in all other states, and I have not any personal knowledge of anybody that has got any problem with that. There are ways to handle the problem.

ELLIOTT: It might be beneficial, I don't know.

BARNETT: Well, number one, you have the patient under somewhat ideal conditions. You have absolute medical control of him, so heavy sedation is usually part of the program, and restraining and so on. I am sure Mr. Engle can tell you a lot about that, what their experience has been. A lot of counties are doing this, incidentally, also.

ELLIOTT: I assume, of course, it could be done on a selective basis, too. There might be certain extremely disturbed cases that they would transport by ambulance.

BARNETT: One of my bosses will be up here pretty soon, and he is in the ambulance business and has air transport. He is the largest air ambulance man in the United States and he can tell you the specifics of this and he has done a lot of transportation of individual patients over long distance and can tell you all you want to know about it. It is

cheaper by air.

McMILLAN: Any further questions from Mr. Barnett? Mr. Bradley.

BRADLEY: Mr. Barnett, on page 2, paragraph 4, you make a specific recommendation. Could you enlarge upon that just a little bit? You say you recommend the establishment of a small pool of light aircraft and pilots for "off airline' travel by the state's executive group where high salaries and high per diem allowances make the overall costs greater by ground travel. What do you mean by small pool of light aircraft? Is this what you meant when you said that one large plane, a DC-3 and two small?

BARNETT: In that particular statement I tried to break it down into separations. I'm only talking about two or three or four at the most to start with -- Cessna or small twin engine aircraft such as a Beech Travelair, something like that.

BRADLEY: Where would this pool be, in Sacramento, primarily?

BARNETT: Primarily. I think to start with it should be there. It is where the greatest need is at the moment.

BRADLEY: What would be a pilot pool?

BARNETT: Two or three.

BRADLEY: What would their salaries run, generally speaking?

BARNETT: I can actually hire pretty first class men, now, out of the Airforce with very high time -- these people are becoming obsolete in the Airforce. The Airforce, gentlemen, since 1942 has trained almost 3 million people in aviation. Many, many of these people are still proficient. In California we have 102,000 people with a license of some kind right now. Pilots are, in a sense, running out of our ears. The Federal government has gotten down from --

BRADLEY: Well, just roughly, what would be the salary range?

BARNETT: Anywhere from $5,000 up to $8,000 a year.

BRADLEY: Is that full pay? Does he get any additional salary,

for actual flight time?

BARNETT: No.

BRADLEY: And you would recommend how many stand by in the pool -- two -- three?

BARNETT: To start with, not more than two or three. If we were doing it, that's the way I would do it.

BRADLEY; How many ground maintenance --

BARNETT: You contract all your maintenance out.

BRADLEY: What would that run, roughly, a plane, per month?

BARNETT: It is a very hard thing to put on a monthly basis, sir. In my figures I have tried to carry it out there for you, so that you could see it on a per mile basis and a per seat basis. Some months, for instance, I won't have a dime of maintenance, and other months I'll come along and have a $2,000 engine overhaul. We have always translated it into a per mile cost, on a per year basis for the Finance Department.

BRADLEY: Under this comparative cost analysis sheet, you refer to charter cost mile, I presume that is cost per mile, and under certified airlines you have certain cost factors, and under the state owned and operated column here you have a DC-3, 58 to 64 cents a mile. In that all costs -- is that pilot, fuel?

BARNETT: Everything we can throw at it. Believe me, those are conservative, because I got the airlines looking down my neck, and I know it.

BRADLEY: Just by pure comparison, I'm a fellow that flies on the Lark when I go to Los Angeles -- this is a little different type of aircraft. I notice that the Western Airlines and PSA and United advertise flights to Los Angeles at $13.50 and $12.95, plus tax and so on. How does that compare for, say a 300 airline from San Francisco --

BARNETT: 370.

BRADLEY: 370 miles. But that seems like a considerably less per

mile cost.

BARNETT: You have got it there on your bottom right hand corner. I think it is 4¢. It comes out 3½, 4¢ per mile. That is the current airline lowest fare anywhere that I know of. There are variables here, sir.

BRADLEY: You have an Electra II here which is 10¢ or 10.2¢. You have a DC-6B which is 10¢. You've got a Boeing 707 that is 10, and a Boeing 720B that is 10. Even that would be higher, wouldn't it, than the quoted fare one way, 370 miles? How do they do this?

BARNETT: Those are based on actual offers by those companies to us to transport prisoners.

BRADLEY: I see.

BARNETT: That is an actual cost.

BRADLEY: That's not the public rate for --

BARNETT: No, I was comparing, if the state went out in private enterprise and chartered an aircraft to do it, that is what it would cost you. Those are actual quotations.

BRADLEY: This is not the public fare rate per mile.

BARNETT: Any time that you make a special charter, you are going to pay a premium for it. And if you will note down there in the left hand corner, there are a number of other considerations that bring that up even higher. For instance, if they have to dead head, they charge a fantastic price for it, of 85¢ a mile. If they have weather, they charge you for that.

BRADLEY: Isn't there a situation on the airlines -- I suppose it would be like the railroads -- you return the plane empty, is that the idea?

BARNETT: They are deadheading, is the problem. They have another problem that we would not have. All state aircraft use all airports at no charge. Almost every airline has to pay everywhere from a $25 to a

to a $35 landing fee, and they crank that in on top of their charges, by the way. There are a number of considerations in this. There again, as I say, as it proves, that you eventually would develop hauls. We recommend that you give private enterprise every opportunity to qualify for this business and it should be regularly offered at bid, to see if they do. This isn't something that you have to get into and subsidize until you know what you are doing. Thank you, gentlemen.

McMILLAN: Mr. Levering.

LEVERING: If you established this and got this pilot pool, you said you could get these people for six - eight thousand dollars a year because they are so plentiful. These people would then, of course, come under civil service, would they not?

BARNETT: That's right.

LEVERING: Then wouldn't the personnel board be faced with the problem of equalizing pay between these pilot pools and the private employment that they have now? Why not?

BARNETT: Well, they don't now. There are four of un in my department now and we don't have any problem with it.

LEVERING: Are you civil service?

BARNETT: I am not, but my people are. I have three pilots that are, and I will soon have a fourth, and we start at $6100. They work up to $8000.

LEVERING: Well, then, there must be something a little different about your agency than there is about other agencies, so far as the personnel board is concerned.

BARNETT: There are some inequities when you compare what our people are doing with what private industry does, and I'll certainly make every stab at getting my people a pay raise any time I can, in the sense that I feel they deserve it. We require a great deal more than being a darn good pilot, in fact, being a pilot's pilot, that can hold

his own with the airline people and with technicians in every field, whether it is weather or whether it is public speaking or whatever it is. We have some pretty high standards for them and being an acceptable pilot, and by that I am talking about a 5,000 hour man or better, and no accident record of any kind, we have some pretty high standards, and we can still get these people for this price. It just happens that that's so.

LEVERING: I am not questioning the quality of your pilots. I'm merely bringing up the point, that every year Personnel Board says, state employees in this classification should get this kind of an increase in order to make them comparable with industry. Now, I think you had better look into that and see whether you aren't going to be faced with that kind of a problem.

BARNETT: I'd like to clarify it -- I may have confused you in talking about airline salaries. Airline salaries are exceptionally high compared to the rest of the field. Bear in mind there are several thousand operators in the country who are not paying $25,000 for pilots. As a matter of fact, I know of individual charter operators who are only paying $5,200 and $5,500 right now. We have a great many possibilities of the use of aircraft. It depends upon which of these categories you're in, heavy aircraft or light aircraft. For instance in the light aircraft field you can go way down in experience because you're not exposing this aircraft to weather, you're not exposing it to unusual circumstances and unusual equipment and unusual demands of knowledge of the equipment. There is a vast kaleidoscope or spectrum of pilot help here. You'll have some testimony coming behind me on that. Mr. Schaefer actually hires and fires a great many of these people on a professional basis and I think he can give you some specifics on it. But there is a vast difference between the requirements the state would have to have in either category, and what is required in private industry

that has to meet CAB and FA qualifications for public hire.

McMILLAN: Thank you very much, Mr. Barnett. Our next witness will be Mr. Fred Engle, the Deputy Director of the Department of Conservation Division, Department of Corrections. Mr. Engle.

ENGLE: Thank you, Mr. Chairman. Good morning, other members of the committee. My name is Fred Engle. I am Deputy Director for the Department of Corrections for the Conservation Division of that Department. And at the offset I would like to say that both my agency administrator, Mr. McGee and my agency or department director, Mr. Dunbar, asked me to express their regrets at not being able to be here today and I also wish to state for them that they are heartily in favor of the use of light aircraft as a transportation medium for state employees, their own and other members of the agency, also.

McMILLAN: How about transportation of prisoners?

ENGLE: We're in favor of that. However, it seems to me and I think the department will agree with this, this question should be taken up when surplus DC-3s become available. Because if you have to buy them I think the initial cost of this type of aircraft is so great that we couldn't very well support this. The department is, however, at this time, operating five busses to transport prisoners. We have in the Department of Corrections something like 1400 movements a month and the Department of the Youth Authority to the best of my knowledge and belief have around 1200 movements of prisoners a month. Some of these movements mean going out to parole, so not all of them mean going from a reception and guidance center to a prison, nor between prisons. I think that before we went into the use of aircraft, that we should make a flow chart showing how many prisoners go where. I think that a DC-3 aircraft could reduce our costs if we obtained it surplus and eliminate the need some or perhaps all of these busses. Certainly I don't think we would need the large busses that we now utilize. A DC-3 aircraft will carry

approximately the same number of prisoners as is transported on the bus. We could do it with the same personnel and this being so, because of the superior speed of the plane, one plane could in all probability do the work of all five busses or very near to this.

I would like if the committee will allow me, to make a little generalized statement and then comment perhaps on various portions of the report that a committee formed within the department of Corrections to study the use of aircraft and to study the availability of airports near our installations made a short time ago. You all have copies of that report. I'm not assuming that you all read it perhaps but we could just take the general headings and I could enlarge a little bit on some of these things after my general statement. Is this agreeable with you?

McMILLAN: Go right ahead, Mr. Engle.

ENGLE: All right. It seems to me that I would be criticised by the legislature, my department, the Department of Finance and everyone else if I attempted to conduct the affairs of my office for the state by horse and buggy or on horseback. I don't think there is any question about this. Yet once upon a time this was the accepted mode of transportation, and I wasn't there at the time the transition occurred from the horse to the automobile. At least I don't think I was.

McMILLAN: I was around.

ENGLE: But certainly I think we had something of the same situation we have now. I don't believe the state went out and bought 5,000 automobiles. Certainly we are not advocating they go out and buy 5,000 airplanes simply because they might have 5,000 automobiles now. Or anything like that. But I believe we are faced with a more or less similar situation and I think that we have to think of the fact that we have literally torn our cities apart and remade them to make the automobile convenient. We have built a huge network of roadways to make an automobile convenient to our use. And actually this is the

only advantage, that the automobile has over light aircraft. You're sometimes stuck at an airport. And this is a problem I think that the committee should look into with regard to general state travel. Now, in my particular department we don't have this problem, because we are always going from wherever we are, generally Sacramento to an installation, an existing installation of the department that has surface transportation available to it, some transportation anyway and they can usually meet us at a nearby airport and take us to the installation and return us to the airplane. So we don't have the problem of getting to the airport to where we are going as might be true of other agencies of the state.

I listened with interest to my friend Clyde Barnett in his testimony and there are a couple of points in which I am not completely in agreement with him, but perhaps I should take those up in going through my report, I think that I covered those points, and I would like to take up those points then. Do you all have a copy of this report, by the way? On the first page of the report, the first page it seems to me I should enlarge on a little bit the last paragraph there, where the statement is made that the committee found that this medium of transportation was flexible, desirable, and saved time and money, plus increasing the efficiency of the employee. Now, I happen to be one of those 200 people that Mr. Barnett was talking about who is a licensed pilot, and if I may quote from my own experience just a little bit, I have been promoting a program of conservation, correctional conservation camps throughout the State of California, for the last three years, and in the course of this sometimes since this conservation program involved inmates, sometimes I had in three or four different parts of the state at the same time what I called fires raging, because generally speaking people liked the program but somewhere else, don't put it next to us. This was the pattern that I ran into. So I did a tremendous amount of traveling

to go to these various places and explain the program and fight for it and so on. And in the course of that, I found myself sleeping in the car oftentimes because I get tired and I don't drive when I'm tired any more. I just pull off the road and go to sleep. Simply because, with the automobile, in spite of this convenience, because of our vast network of roads, it simply wasn't fast enough to get me around. This is when I first started to think of using aircraft and since then I have been utilizing aircraft that was rented or leased from a private operator for about the period of the last two years, to aid me in getting around. I haven't used this means of transportation as much as I would have liked to use it, because sometimes it wasn't economical. It cost more than the automobile in other words to make a particular trip. I would make it in the automobile rather than by aircraft. But now there are certain notable examples and this is one of the reasons I didn't put examples in the report that the committee made, because they were so notable and in other situations the savings weren't so great, so rather than -- I simply didn't put in any examples at all. But to tell you about one. From Sacramento to Bishop is just about a good 7 hour drive. But by air it is an hour and 20 minutes over yon hill, and that is all it is. If you go by automobile you are tired when you get there after that 7 hour drive. You are not going to do very much. Generally you are going to a meeting, sometimes with adverse people so you want to be fresh and generally they take 3 or 4 hours, so you stay overnight, you have your meeting the next day. At the end of that meeting you either drive half the night to get home or if you have real good sense, you'll stay over another night. You have these overnight expenses. But with a plane you fly over there in an hour and 20 minutes, you have your conference, you are fresh when you get there, you're not tired, you have your conference, get it over with, and by 5 or 6 o'clock you're home, back in Sacramento and the state has been saved all these expenses.

Now, per mile it does cost a little bit more to fly a good light aircraft than it does to drive an automobile. But when you take into account the savings in overnight accommodations and meals, I can tell you from experience it really knocks a hole in your expense account. You don't have very much left if you use an airplane. Now Bishop is a notable example. In addition I flew to Susanville. I flew to Garberville. Various other out of the way places. Now for instance, I found that the savings that were made by using an airplane flying to Susanville was two, three,four dollars, about the same as an automobile. You save a little bit, but not very much. Garberville, you save a little more. Bishop is the real notable example. So, we found that depending on the use of the plane -- so far I have been talking about using an airplane with just me in it. One lone individual.

McMILLAN: What did you do -- rent a plane?

ENGLE: We have a contract agreement with a private operator and we just simply utilize his aircraft whenever we need it, and I have been flying this plane of course myself. Well, now, when you add the pilot you add about 3¢ a mile to cost of the plane, and some people who don't fly would of course have to have someone fly them. This adds to the cost of the plane, but even at that, if more than one person goes, the state is going to save money. If this aircraft is utilized intelligently. Now there are, as Mr. Barnett indicated, certain factors that have to be watched, and we'll get to those in a little bit. I mentioned a while ago that we go to an installation. I might give you an idea of how extensive those installations are. The department, at the present time, has 11 major installations outside of the conservation division of which I am in charge. The conservation division has 29 camps at this time. It has two large centers in the process of construction, two more projected for the near future, and more camps projected for the near future. By 1966 our plans call for four of the large installations and

42 camps which would be 46 installations scattered from two miles north of the Mexican border to the Oregon border in the Division of Conservation alone. And outside the Division of Conservation by that time the department will have 12 to 13 other major installations. These major installations run from Susanville and Garberville in the north to Chino in the south. This is quite a complex. And in our central office, nearly everyone in that office has charge of some function or supervises or coordinates some function that goes on in all these installations, and they do quite a bit of traveling. Almost all of them. This is the reason for their being, these functions need coordination and supervision and it is their purpose to do that. If these people could and would travel by the use of light aircraft rather than an automobile, it would increase their personal efficiency by enabling them to savings in time to take on more work than they could handle if they did all their traveling by automobile.

McMILLAN: Isn't it possible, Mr. Engle, for the department, your department, to make some arrangements for renting an airplane on a full time basis?

ENGLE: Yes, sir, this is possible. And, as a matter of fact, at the present time I am asking for bids from all the operators, charter operators of planes in the Sacramento area, on using an airplane with a minimum guarantee, 30 - 40 - 50 - 60 hours a month, I don't know, at this particular point how much we can guarantee, but I think we can guarantee a minimum of 60 hours a month utilization of a plane. 60 hours a month is in the eyes of the average operator full utilization. We'd actually, for the period of time, whatever it might be, really own the plane. We could take it to Chino and leave it there two or three days if we had a big budget session going on, if we wanted to.

McMILLAN: You are asking for bids now?

ENGLE: We are asking for bids.

McMILLAN: It would be of interest to this committee if you accept a bid, and if you gave us the benefit of your experience on this thing.

ENGLE: We would be happy to do this and the way in which I envision that we can do this is to combine about five different groups. One of them is a planning board that the State of California has to aid in the proper utilization, complete utilization, of state owned lands. They are a small group. They travel quite a bit, coordinating with the counties and so on throughout the state and our own central office, the Adult Authority hearing representatives and members travel extensively. Air ambulance service is definitely cheaper than surface ambulance. The bringing back, returning of parolees, up to a point, a distance point I would say of 1500 miles is definitely cheaper and quicker by light aircraft so I would like to combine these activities in one and have a transportation coordinator appointed in our central office who would coordinate flights and screen the flight to see that it doesn't involve deadhead trips or something else.

McMILLAN: Do you feel that if we do embark upon this program that it would be advisable to start it out with each agency experimenting with it, hiring, or renting planes?

ENGLE: No, I feel that there are some problems here. I might as well talk about it right now. I can't agree with Clyde, for instance, that we need a travel survey by all departments in order to know whether we buy a 100 airplanes or 200, or any given number, because in the first place there is no assurance at this point that all those people who travel are going to fly in light aircraft. I think some of them are going to be very reluctant to do this. They are not used to it. It's an unknown. Some of them -- I know people who work for the state who are reluctant to fly in an airline, be flown by an airline pilot. So, even if we had a survey, how many of these people are going to fly? I don't know.

McMILLAN: Pardon me, just a minute. We're running over time here. Our time is limited. We have about four more witnesses to hear from before noon, or before we break for lunch. Could you sum it up briefly as possible?

ENGLE: All right. I think that what should happen, if we expand the base of what people who can fly with the Division of Aeronautics and provide them with 5 or 6 planes and each agency uses these planes, appoints a -- most departments have a transportation coordinator, anyway, utilize this man or appoint someone, if the agency doesn't have one, to screen and coordinate aircraft flights and Mr. Barnett's agency coordinates flights between departments, so that if someone in my department and someone in another department is going the same place the same time and he puts them together, and lowering this base, that we can utilize six airplanes completely without any question. And I think this is the least number that the state should invest in, and by going into this type of operation and keeping records of each department or agency's use of that plane, you very shortly will have the survey that Mr. Barnett would like to have and have it factually. We'll know how many people are going to fly, and then the determination can be made as to whether or not an agency that can fully utilize an airplane or two airplanes, whether it operates the airplane or whether it continues on under the operation of Mr. Barnett's agency. That question could be settled then.

McMILLAN: Thank you very much, Mr. Engle. Any questions? The next witness will be Harry Anderson, the Deputy Director of the Department of Fish and Game, and James Leiby, Administrative Officer.

ANDERSON: Mr. Chairman and members of the Committee, I am Harry Anderson, Deputy Director of the Department of Fish and Game. I have with me Mr. Leiby, Administrative Officer of the Department. The Department of Fish and Game own and operates three aircraft. One of these aircraft is a twin engine 1957 Beechcraft stationed at Sacramento

and the other two are the Cessna Model 182s. One is staioned in Sacramento and the other at San Bernardino. The annual flight time of these three aircraft average is as follows:

Beechcraft	400 hours
Cessna (Sacramento)	850 hours
Cessna (San Bernardino)	600 hours

That is annually, as of last year. Personnel involved are one Senior Warden Pilot and three Warden Pilots. We have a total of three aircraft and four pilots. I might say at this time, they are pilots as well as mechanics. They all have ratings. It is a combination of classifications. All maintenance work except major overhauls is performed by our personnel.

The airplanes are used for law enforcement activities, planting of fish, surveys and photographic work on lakes and streams, surveys and locations of schools of ocean fish, game census work on deer, antelope and ducks, and some transportation of personnel.

The annual cost of operation last fiscal year was as follows:

Four pilots, salaries and retirement	$40,000

(The average approximately $10,000 apiece. And here again they are specialized pilots in that we have specific operational type of work and they are also A & E mechanics.)

Operating Expenses (oil, gas, repairs, insurance, rent of space, tires, etc.)	16,000

giving us a total of $52,000 for our operating costs, and we would estimate an additional $16,000 that should be added to this if we wanted to get the true cost, which would be the depreciation on the aircraft as well as our hangars.

The major use of our aircraft is related directly to the programs of the Department. Transporting personnel is done occasionally where scheduled airlines do not meet our requirements. Our time spent transporting personnel is less than 10% of our operating time. That

concludes my presentation, Mr. Chairman. If you have any questions we can answer, we will be glad to.

McMILLAN: How extensively do you use those planes for the transportation of personnel?

ANDERSON: Less than 10% of our total time. If we have an occasion to go, say from Sacramento to Bishop, and our plane is not tied up in operational use, we will use it for an administrative flight, we call it. If we have, say, two or three people going, we will use the airplanes. We recognize that it costs more to fly the planes than it does for a single individual to go commercially by air or by automobile, so unless it is a place like Bishop which takes about 7 hours to get to each way, we usually depend on automobiles and commercial airplanes.

McMILLAN: Is the primary use enforcement?

ANDERSON: Enforcement takes about 30 to 35% of the Cessnas, about 6% of the time of the Beechcraft. The Beechcraft with the two engines is used primarily for fish planting. Of the 400 hours over 200 is for fish planting in these high mountain lakes. The balance of it is for photographic work and for observation out at sea on sardine schools, and things of that type. The two Cessnas are used for law enforcement as well as for surveys and census of game animals and ducks.

McMILLAN: Mr. Leiby, did you want to add anything?

LEIBY: No, I have nothing further.

McMILLAN: Are there any questions from the members of the committee? Mr. Bradley.

BRADLEY: Would a pool such as we are talking about here be of any particular benefit to your department?

ANDERSON: Mr. Bradley, I don't believe that it would be of benefit to our department. We use our planes, as I say, primarily for operational work and occasionally for administrative traffic. I don't feel we need any additional planes or additional aircraft time for transporting

personnel.

ELLIOTT: In using the planes for administrative purposes, are there sometimes places on the plane that could be used for other purposes or are they usually full?

ANDERSON: I would say at times there may be space, Mr. Elliott. Usually we use all the seats. But occasionally there would be space. However, it is usually to a specific point. In order to coordinate transportation of another department personnel, I am afraid we would have a considerable scheduling problem. We do serve other departments occasionally. I can cite the example, a time we had occasion to go to Bishop which involved personnel from the Department of Corrections, and the Division of Architecture. We at that time took these people with us.

ELLIOTT: There is a certain amount of coordination then, at the present time.

ANDERSON: I would estimate that we probably use less than a 100 hours in serving other state departments a year.

ELLIOTT: Do you think it is possible if you had some coordinating agency for all departments that the information that a seat is available on a plane in a particular route that is being taken, if that were available in a central source, that that might make the operations of the over all state administrative operation more efficient and possibly save money and convenience individuals?

ANDERSON: As far as Fish and Game is concerned it would be very limited. It would be possible occasionally, but our use is primarily operational, where we plant fish, survey game, and it is specialized flying as well as use.

ELLIOTT: Yes, I realize that. I had reference to administrative flights.

ANDERSON: We don't justify our planes for administrative flying.

It is a supplemental use, because we have the planes available. However, if the state did go into a transportation fleet for personnel, then I would certainly feel that you would have to have some coordinating agency in order to make maximum use of your aircraft.

ELLIOTT: I wasn't even thinking about that. Just the matter of if a seat is available on a plane, it appears to me that it would not be too unreasonable to expect that information, it wouldn't involve too much, to have that information made available at some central point in the operation of state administration of all departments and agencies and that individuals who are flying and performing the work of a particular state agency, could check with that central agency and if it is available, could arrange to use it.

ANDERSON: Of course our use, as far as administrative flying is concerned, is infrequent and many times on the spur of the moment, and the coordination of it -- However, if we have a spare seat, we are certainly glad to give it to anyone who wants a ride that is available.

ELLIOTT: How are individuals going to get that information if there isn't some central point where the information could be obtained. It's a little bit difficult, isn't it, to contact all the departments and agencies to find out if a plane is going from one point to another point at that particular time.

ANDERSON: Very true. I am afraid we'd never take off, if we had to do that.

McMILLAN: If there are no further questions from the committee, we thank you, gentlemen, for appearing.

ANDERSON: I might say, just in passing, that Mr. McMillan was Executive Officer of the Department of Fish and Game back in 1939. I understand he started us in the aircraft business.

McMILLAN: That was way back in the horse and buggy days. We will now hear from the Department of Water Resources, Neely Gardner, Deputy

Director, and Paul Barnes, Chief of the Division of Administration.

GARDNER: Mr. Chairman, members of the committee, my name is Neely Gardner, Deputy Director, Administration, and with me is Paul Barnes, Chief of our Division of Administration. I have a prepared statement, but before I utilize this I would like to say that Mr. Barnett has furnished us with services from time to time, and we have been very pleased with the service he had rendered. I think that were a pool available with central coordination we would find greater use for such kind of transportation than we have in the past. In the past year there have been 66 separate flights by the officers and employees of the Department of Water Resources, using non-scheduled aircraft. We anticipate there may be as many as 150 such flights next year.

McMILLAN: What does that consist of? What is the nature of that kind of flight?

GARDNER: Largely, and my statement would have included this but maybe we can skip over some of it, reconnaissance flights in which we look over the terrain of the land in which we are going to put through an installation, or when we are looking for saltwater intrusion, or some other reconnaissance type flight that we can survey the land best from the air in these initial stages. The others, we do conduct a lot of photographic missions and we use these in conjunction with surveys.

McMILLAN: I meant, do you contract with a private, non-scheduled airline?

GARDNER: Yes. Many of these are contract flights, and many of these are with Mr. Barnett's services and we have utilized also the planes of Fish and Game when they have had empty seats.

McMILLAN: You don't have any of your own aircraft in your department.

GARDNER: We have no aircraft of our own, no, sir.

McMILLAN: Do you contemplate purchasing one?

GARDNER: This is something we've been thinking about but we have not yet made up our mind whether we have sufficient use for one or not. At the present time we do not. When the aqueduct is being built, and when it is in operation, we will need some patrol aircraft, and we do certainly have a need for patrol aircraft in the remote areas, perhaps we even need the use of helicopters on some of our facilities. But we really haven't determined the full need yet. At the moment we wouldn't say whether we will need or will not need aircraft of our own.

During the 1962-63 Fiscal Year we expect to do extensive photographic work over construction projects that are currently being started. We will make progress photographs of the California Aqueduct Route once a month. The Oroville construction will be photographed twice a month. The Antelope project, which requires five hours travel by ground transportation, will be photographed and visited by air out of Oroville in one-hour flights. During the flood season in 1963 we will probably make two observation flights a month. That is just an average. We guess this will happen. There will probably be two flights a month for photographs and reconnaissance in the Los Angeles and Tehachapi area.

If a state-owned air transport pool were formed, it could reasonably be expected that the cost of our flights might be reduced from $20 an hour which is our average cost now for charter flights, to something less than $15 an hour. That is our estimate. I understand Mr. Barnett's estimate is below this. State-owned aircraft should be fitted, if we are to get full utilization for our present kind of use, with a floor hatchway for vertical photography and a removable half door that can be removed in flight for mounting our large aerial camera for oblique photographs. A high-wing aircraft is desirable because of the additional visibility needed for our reconnaissance flights.

In the future, as construction progresses in the Tehachapi Aqueduct Route and the Oroville Power Facilities, we will need an aircraft in

the nature of a helicopter or low-speed liaison-type aircraft for inspection and patrol purposes.

I would like to reiterate that we have received excellent cooperation and assistance from the Department of Public Works, Division of Aeronautics, Fish and Game, and the enthusiasm and care with which Mr. Barnett takes care of our needs and also cooperation on those few occasions when Fish and Game has been able to permit us to use their aircraft. Thank you.

McMILLAN: Any questions from the committee? Mr. Bradley.

BRADLEY: What consideration is given to the flight of personnel where so many life insurance policies do not provide for payment on a non-scheduled type operation? Do you feel that where personnel is ordered to take a plane, on a non-scheduled flight, or do you have any information on this, that this covers this insurance problem?

GARDNER: I don't have any information on this, Mr. Bradley. Do you?

BARNES: There is a blanket policy covering state employees in non-scheduled flights.

McMILLAN: Any further questions? Thank you very much. We'll now hear from the Department of Agriculture, Mr. Cleland H. Perkins.

PERKINS: Mr. Chairman and members of the committee, my name is C. H. Perkins. I am fiscal officer of the Department of Agriculture, representing Director Paul who is unavoidably out of town in San Diego. Our position, I think, is fairly well summed up by the previous witnesses who have outlined many of the problems we have. Director Paul would be very much in favor of a pool for executive officer's use for out of the way points as previously discussed. The statement that I have submitted to the committee gives you over all dollar costs on an annual basis for air transportation which is right around $40,000 a year for scheduled airlines, and around $4,000 a year for charter. We charter planes similar to those of other agencies that previously testified.

McMILLAN: You don't own any planes.

PERKINS: No, we don't own any planes. We charter when we can't get into a location by regular scheduled airline or time or some other thing. We have used the Aeronautics Commission in emergencies and charter from them and occasionally the Department of Fish and Game have been very helpful and pulled us out when we got into a tight spot on one of these extra seats that was described here. I think that pretty well sums up our position.

McMILLAN: What arrangements do you make with the Department of Aeronautics when you use their plane? Do you pay?

PERKINS: We pay their regular fees. I don't know just what the fees are. We pay their fees -- whatever their regular charges or cost figures out.

McMILLAN: Any questions? Mr. Elliott.

ELLIOTT: Mr. Perkins, it is a policy, a state policy, for the various departments and agencies to coordinate their transportation problems as much as possible?

PERKINS: Yes, we do, sir. When we have a need, we first contact Mr. Barnett's people or Fish and Game or anybody that might have state-owned aircraft that we could get on and take. We do that before we go to charter.

ELLIOTT: Is this done voluntarily, or have you been instructed?

PERKINS: I don't know of any instruction. We have done that as a matter of expediency, when we want to get there and we know this service is available and if they can take care of us, they are happy to do it.

ELLIOTT: I would like just to make the observation, I am very glad to learn that this is taking place. I think this is the way the agencies should operate. They should try to work together as much as possible, and I am very glad to learn, at least from the Department of Fish and

Game, and the Department of Agriculture and Water Resources also, that this is taking place.

PERKINS: The only observation I could make after that is their facilities are rather limited and they can't help us very much, but they help us when they can.

McMILLAN: Thank you very much, Mr. Perkins. Now, Mr. DeWitt Nelson, would you care to make your statement?

NELSON: Mr. Chairman and members of the committee, I am DeWitt Nelson, Director of the Department of Conservation. Again referring to the Division of Forestry, we are probably one of the heaviest users of aircraft in the state service I would assume. We rely entirely in the major part of our service upon contract arrangements with private owners and private operators.

McMILLAN: You don't have a plane.

NELSON: We have no planes of our own. We operate all over the state on an emergency basis in the fire control activity and our expenditures from support budget for this type of work run an average of about $200,000 per year. For example, we do a great deal of air patrol, observation work for detection of fires, and following lightning concentration periods, we have many planes in the air observing the area. We also use helicopters for transportation of man power on fires, and then of course we use the air tankers in a rather extensive purpose. In addition to our support expenditures of around $200,000 a year, we have emergency expenditures. That of course depends upon the severity of the season. For example, in 1960-61 our support expenditures for this type of air service was $193,000 while our emergency fund expenditures were $75,000, for a total of $268,000. That compared with the last year, which was an extremely bad year, our support expenditures were $203,000, while our emergency expenditures were $488,000, for a total of $691,000.

McMILLAN: I should think it would pay your department to purchase some airplanes.

NELSON: What we need is a fleet of planes, and we need their availability any place in the state at any time, or many places in the state at one time, and it just wouldn't be reasonable or economically feasible for the state to own and operate those. A plane, as Mr. Barnett has said, in order to make it pay, has got to be in the air all the time that it possibly can. We think that this is an area in which private enterprise can better serve than we can do the job, and we think that the manner in which we should operate.

McMILLAN: That is, individually, or as a separate department. Do you see any possibilities of a pool?

NELSON: I believe there is a need for a pool of light aircraft for serving inaccessible areas that are not served by commercial airlines. We have used this facility of Mr. Barnett's organization from time to time. I have used it personally and find it to be very satisfactory and very economical. We have also used the Department of Fish and Game planes on some photographic work, special survey type of thing, and we found them most cooperative in this area. There is also a possibility, now we were talking about transport of prisoners. We have 40 conservation camps throughout the state in our fire control organization in which we have either inmates or wards from the Department of Corrections and the Youth Authority. We move these men from north to south to meet the fire situation as needed. We have in a few instances charted large aircraft for the movement of those men from the south to the north or vice versa. If there were such a facility available, it would give us additional flexibility of the movement of personnel for that purpose.

McMILLAN: Thank you very much. Any questions? Mr. Bradley.

BRADLEY: Just roughly, how many times a year would you be using a large plane service like that? Take last year, which was a bad year,

you probably had a maximum amount of movement of men from north to south.

NELSON: We move men north and south probably a half a dozen times. There is a case where hours are important.

BRADLEY: Did you have any trouble getting private charter arrangements for this?

NELSON: No, we've been quite successful in doing it. There would be some advantage in having state operation on that, but we have been quite successful in charter work.

BRADLEY: The state does not own these borate tanker planes?

NELSON: No. We contract for those. We did secure, three years ago, two TBM surplus planes from the Navy that we wanted to convert to tankers for experimental purposes. But the legislature didn't let us activate those, so last winter we turned them back to GSA and they were turned over to the State of Georgia for their operation. California is so large, our problems and climatic conditions are so varied and complex that one or two or even a half a dozen planes wouldn't meet our need at all. We operate on a contract basis in about 30 counties in the state. In some of our arrangements, in cooperation with the timber ownership, they provide our patrol planes, we provide the observers and radio communications on our own network. Other places we provide on a rental basis all of our own patrol. All of the tanker planes are on contract.

McMILLAN: Any further questions? Thank you very much, Mr. Nelson. Now we will hear from the California Disaster Office, Harry Van Wyk.

VAN WYK: Gentlemen, I am Harry Van Wyk, Deputy Director of the California Disaster Office. I have a short statement which I can cover in just a few minutes, and answer any questions that you have. In July, 1960, the Federal Government donated to the California Disaster Office a surplus twin-engine, five-passenger airplane. This donation was part of the program under which surplus Federal property is obtained

by civil defense agencies under conditions that it will be used only for civil defense purposes. In authorizing our office to acquire the airplane, the Department of Finance prescribed rules with respect to its use. Among them were the prohibition for using it for flights to communities served by scheduled airlines and a requirement that a charge of approximately twenty-five cents per mile be made for each approved flight. This latter requirement has necessarily limited our use of the airplane. During the last six months we have used the airplane only six times. Other agencies of the state government, however, have used it approximately 18 times during the same time, 23 flights made by this airplane in the last six months.

Its acquisition was based primarily upon its value under diaster conditions and its use for administrative purposes has been purely incidental to its primary purpose. On the infrequent occasions upon which it has been used, it has been most valuable because of the tremendous saving in staff time. In those instances where several staff members have been required to visit out-of-the-way areas of the State, the time saved has been considerable. Much more use of the plane could be obtained if the prescribed rates could be lower or if a State-owned administrative airplane, not restricted to civil defense missions, were available at less cost than that which we must pay. Mr. Barnett has custody of our plane and his people do the flying and I understand it costs about 11¢ a mile to operate it.

McMILLAN: I would like to ask a question of Mr. Barnett. Can you break even at 11¢ a mile?

BARNETT: On this particular airplane, Mr. McMillan, we are doing better than that. We have long since learned how to be pretty good moonlight requisitioners. In this particular airplane we got several extra engines with it. We could keep it going for 8 years, I think, without any additional expenditure. We paid, I think, $50 for it. It cost us seventeen hundred and something to convert it from an army

configuration to one that was acceptable to get an NC number on it, to get it licensed. I've taken in, roughly, just under $5,000 with it. We unfortunately in the last few months have been restricted in its use, because you may remember we were the victims of theft on it. Somebody broke into it one night and took about $7,000 worth of radio gear out of it. We are currently trying to get that radio gear replacement from the Airforce. I think we will be successful. It has, however, cut down our overall figure. I think we could operate this thing pretty cheap, all the way around. I've got enough component parts of it to build another one, for instance, and I know where there are more, if I have to. In fact, I may replace the radio gear by getting another airplane and cannibalizing it, because we can buy them so cheap. We have gone along with Finance Departments requirements that we fund this airplane by its own bootstraps, simply because they felt that there had never been legislative approval of owning and operating such an aircraft, even if it didn't cost anything, and they wanted to be sure that they had clean faces and ears with you when you ever got to looking at them. So they have insisted on a $50 an hour requirement charge, which is very high. Actually my gas and oil consumption is around $10.50 per hour and we put in there another figure of about $3.50 for maintenance on it, and that has worked out very well in the year and a half we have had it. This is a very hefty piece of equipment. It is built like a truck and it doesn't require any -- it's not a hangar queen airplane as some are. It's a very easy airplane to maintain. However, it is limited. It can only take six people and again it has the problem that generally if you have any problems at all of weather cover at either end or in the middle of your flight, you have to go for an extra pilot. We have done this largely on an experimental basis in conjunction with the Department here and with Finance Department as a method of developing some kind of cost for you as to what it would cost and what the actual experience is with

it. Our only problem is, you always have to exercise judgment as to how many people you take, and frankly this is one that this particular airplane, unless you are taking at least three people somewhere, you should not use it, because it is a high cost airplane to run, generally. We have paid Fish and Game the courtesy of keeping our price up on it, because remember they buy a new airplane and they have to charge that much or more to come out even themselves, so we have kept ours up there also. But fundamentally we could operate it quite cheaply. It should be, under ideal conditions, and staffed for it -- now I can't staff it at the right level. My people are making $9,000 a year, $8,000 or $9,000, and I can't afford to have them being travel jockeys, because these are relatively high priced people. All we're talking about here is a well paid truckdriver.

McMILLAN: Thank you. Mr. Van Wyk, anything more you wanted to add? Any questions from the committee?

BRADLEY: I'm not sure about a truck driver piloting an airplane.

KENNICK: Did I misunderstand you when you said the plane was restricted to civilian defense use only? And then you also said that you had only used it six times, but a number of others had used it.

VAN WYK: The regulations on it under which it came, permit its use to maintain its operability.

KENNICK: So it can be used for purposes other than civilian defense.

VAN WYK: But the conditions under which it was donated prohibit its outright administrative use for any and all purposes. It would have to be related to our activities or be used to keep it operable.

McMILLAN: Mr. Barnett, one other question. Do you feel that if there was an aerial transport pool in the state that considering the bargains that you can get in aircraft today, do you think that it could be operated on an 11¢ basis?

BARNETT: The 11¢ rate they were discussing, that is our actual experience with this small twin engine. Now, this is what we call a BEECH D-18 that can be worked around to a maximum of 8 people. When we are talking about a DC-3, then you are going up into 58 - 64¢ you have on your sheet there, classification, is about what it would cost the state to operate that airplane. That is a very conservative figure.

McMILLAN: Wasn't it brought out here, though, that you are operating a plane at 11¢ and the Department of Finance is charging 25¢. Isn't that what was brought out?

BARNETT: Yes. We more than got your money back, far and away on this one, but you can get into some variables on this thing. This is not an economy airplane at all.

McMILLAN: All right. Thank you very much, gentlemen. Now we have one more witness, Mr. Earl Sams, Consultant to the Department of Education.

SAMS: Thank you, Mr. McMillan. I would like to have you suggest how much time you want me to take.

McMILLAN: Well, I'm sorry -- you're the last witness -- it wasn't because we didn't think you were important, Mr. Sams, but somebody had to be last. How long do you want to take?

SAMS: Would you like to have me condense this into five minutes?

McMILLAN: Five or ten minutes. Take your time.

SAMS: Thank you. I welcome the opportunity of course to talk to you and I think that I will depart from the script almost entirely, because I am assuming that you have already read the script. I am tremendously impressed with the intelligent questions that have been asked.

McMILLAN: By whom? This committee, you mean?

SAMS: Yes, sir. And I wish very much that there were ample time

to deal with these. However, there isn't time. The suggested use of the aircraft pool is related to the experience that we have had in the Department of Education, as you may recall, for the past 16 years. Our experience prompts me, however, to recommend that a state agency such as that of the Aeronautics Commission certainly needs to screen the qualifications of the aircraft that might be used for such a pool. For the past 16 years, as of June, 1962, the State Department of Education has made extensive use of six aircraft, as you may recall, because you were all on one of the legislative committees that considered the purchase of the aircraft. These included a Stinson, and Ercoupe, a Swift, and three Cessnas (14, 170, and 180). Mr. Larry Hunt of the Air Oasis Company of Long Beach provided, at no cost to the state for long-term loan, a Cessna 170 and later the Cessna 180 when the Legislature in 1955 as you will recall refused to restore the State Department of Education budget items that supported the aviation education efforts, and the three planes that were being used were set aside, or discarded.

During the 16-year period, hundreds of school administrators and teachers of California and dozens of professional employees of the Department of Education have accompanied us on flights pertaining to aviation education and other instructional and administrative responsibilities. In comparison with surface transportation the time saved for the productive work with the schools and colleges can be conservatively estimated at 3,545 hours, or the equivalent of over 88 weeks. By concurrent resolution the 1961 Legislature thanked Mr. Larry Hunt for his contribution of the aircraft to the State's aviation efforts in a resolution that was introduced as you will recall by Mr. Grant of Long Beach. We stumbled on that and the script says Mr. Belotti, because it was Mr. Belotti's resolution that brought out the fact that Mr. Hunt and Mr. Grant had made this contribution. From the travel expense claims of the state personnel, it is a relatively simple matter to

confirm the fact that during the past six years in which we have used on-loan aircraft provided by Mr. Hunt, the maximum savings to the state for services rendered above and beyond the amount of reimbursement allotted by the state was $15,632. Many of the State Department of Education and other state employees have registered a desire to occupy one of the three empty seats in the aircraft when it is going someplace. Such passengers have included personnel from the Department of Finance, the California Division of Aeronautics, all Bureaus of the State Department of Education, the Lieutenant Governor, and several legislators, all of whom have made flights with us one or more times. The feasibility of such an operation is demonstrated by the fact that our plane provides flexibility as has already been pointed out here, and the fact that we make use of the approximately 700 airports in the state to make contacts with the 900 high school and junior college districts throughout the state.

The safety record that is involved is impeccable. We have nothing to report of an adverse nature here. We have flown over 6,600 hours, approximately 4,400 flights to school districts about the state have been accomplished, with only two minor interruptions to the schedule that involved a change in the itinerary and a change in the meeting time. We have made 629 flights to and from the Los Angeles area over the Tehachapi mountains without incident, we are happy to report. Although the Department of Education has found the use of the single engine 4 place plane to be a most effective and economical method of travel, the Department of Education takes no official position at this time with respect to the proposed plan of an air transport pool. Nor is the Department in agreement with my contention that an adequate insurance program would result in a higher standard of safety and educational efficiency than now exists. Therefore, the comments that I have made above, and perhaps the answer to some of the questions that I might

make, are my own, and are not shared by all of the people in the Department of Education. I found out, however, that currently 24 people of the Department of Education have on file with me a request that I submit to them the itinerary of the aircraft so that they can occupy one or more of the empty seats when we are going some place. One of the questions that has been asked prompts me to say that the Department of Education could very easily, with pilots in the Department of Education, former military pilots, make use of and pay the complete cost of operating and purchase of two brand new single engine 4 place type aircraft that would cost in the neighborhood of 29 to $30,000. This of course is because we have in the neighborhood of 613 people who travel over the length and breadth of the state, 400 of whom travel on an unlimited basis, many of whom would welcome the opportunity to occupy the empty seats of an aircraft of this type. With that, we'll rest our case. I have only the one point at issue to take with Mr. Barnett. I would plead with Mr. Barnett to raise slightly the suggestion he would hire pilots for these aircraft in the neighborhood of 5 to $8,000. I'd want him to start at about $8,000 by virtue of the fact that a $5,000 man is going to have one or two other jobs to supplement his income and therefore his interests will be too divided in my humble opinion. And with that, sir, I thank you.

McMILLAN: Thank you, Mr. Sams. Any questions? Thank you very much for appearing here. Anyone else want to be heard on this subject? If not, we will recess the committee until the hour of 2 p.m.

---- Lunch Break ----

McMILLAN: The meeting will come to order. The first witness this afternoon on House Resolution 440 concerning the matter of agency overlap, acquisition of lands, will be Francis Hortig, Executive Officer of the State Lands Division.

HORTIG: I am Executive Officer for the Commission working staff

in the State Lands Division.

LEVERING: You are the fellow who does all the work. That's right. I know that. Remember when they put that oil bill through? The Executive Officer did all the work. That was the Shell-Cunningham bill.

McMILLAN: Well, Mr. Hortig, we are very glad to have you here.

HORTIG: Thank you. Mr. Chairman, gentlemen, I am F. J. Hortig, Executive Officer of the State Lands Commission. In accordance with the committee hearing announcement, and after conferences with your committee consultant, a summary report was prepared of existing statutory authorities, rules and regulations, policies and programs under consideration in the land management studies of the state lands commission, for the information of the committee, as to existing improved state land management programs and further modifications for increased effectiveness which are under current consideration, as to the types of land under the jurisdiction of the State Lands Commission.

However, Mr. Chairman, with your approval, in deference to the committee's extensive agenda, I will review only the minimum essential background information and excerpt from the prepared statement which you have before you. The essentials are the land management programs, both existent and under consideration. The State Lands Commission is responsible for the administration of all public lands of the state, described generally as:

1. Congressional grant lands which are popularly known as vacant state school lands (nominally Sections 16 and 36 in each surveyed township throughout the state), and swamp and overflowed lands which are in minimum supply currently.
2. All sovereign lands of the State, I.E., the coastal tide and submerged lands and those lands underlying navigable rivers, bays, lakes, estuaries, etc.

The school lands and swamp and overflowed lands are authorized to

be sold by the commission. There is no statutory authority for the sale of the state's sovereign lands, but such lands are authorized to be leased.

The Commission is also responsible for the selection of other unappropriated lands of the United States in lieu of the Sections 16 and 36 which have been lost in the congressional grants to the states, principally through various acts of the United States.

McMILLAN: Will you let us follow you on the pages when you --

HORTIG: I'll be skipping around, sir, in excerpts, on a summary, rather than laboring the committee over it word by word reading, and I believe that from the summary of the summary the committee will be in a position to propose the questions that they are particularly interested in. On May 24, 1960, pursuant to Commission directive, the staff undertook a program of inventorying and classifying all of the public lands, that is the congressional grant lands, under the Commission's jurisdiction. This report was delivered to the Commission for consideration at its meeting of May 24, 1962. Due to the complexity of the report and the policy considerations contained therein,time was needed to study the recommendations and therefore the Commission directed that, before proceeding with any final consideration of the report and recommendations, an open work shop discussion be held with the public and the Commission and the staff in order to provide for a full and complete review of the proposed program. This review was held on June 27, 1962 in Sacramento, at which time the views of various agencies and individuals, both written and oral, were received and discussed. In this aforesaid report, numerous changes in policies and procedures were recommended in the administration of the public lands involved. One of the principal changes was a recommendation that the Commission include a land management program in supplement to a land disposition program. Such a program, it was felt, would be in the best interest of the State and

would lead to production of the greatest amount of revenue for the permanent school fund over a long term period. This would constitute a major policy change from that which was in effect from statehood. Prior policy in this regard was restricted to making available all salable lands to the public for purchase as demand existed.

Since the adoption of the aforesaid directive of May 24, 1960, by the Commission, descriptions of all lands embraced in pending purchase applications have been circularized to all State agencies having a possible land acquisition program for their own benefit. This procedure was adopted by the Commission in view of the possible public need for such lands by various agencies of the State. Also, on May 4, 1961, the Commission directed the staff to undertake and investigation in cooperation with the United States Bureau of Land Management, to determine the extent of various timbered lands under the jurisdiction of the United States Bureau of Land Management, which would be desirable for state acquisition, and to proceed with the selection of these lands for the state.

Currently, Section 7361 of the Public Resources Code provides that timber lands belonging to the state shall be sold for cash only. These are timber lands of course that are under the jurisdiction of the State Lands Commission and are not part of any of the state forest system, and that have not heretofore been desired for acquisition by the state Division of Forestry. There is no authorization for the independent sale of timber separate from the land. It is considered highly desirable for the Commission to have statutory authority which would permit the sale of timber separate from the land for the reason that there may be instances in the future, as there have been in the past, where certain parcels containing overripe timber should be sold before it commences to deteriorate. Futhermore, the immediate salvage of burned timber could also be accomplished to the state's benefit if the existing

statutes were amended. It is almost always difficult to dispose of marginal timber values when the land must also be included and made part of the purchase price.

For the purpose of assisting State agencies in establishing the need for use of lands under the Commission's jurisdiction, it was recommended that at the request of a state agency the Commission withdraw the lands involved for a period not to exceed two years with reasonable extensions of this period where justified, on the feeling that this period of time would generally be sufficient for a state agency to review specific lands for a final determination as to actual requirements, and to arrange budgeting of funds for lease or purchase thereof. The screening of these lands with state agencies is an entirely new concept. However, it is considered desirable for determination of those instances where a beneficial public use exists. Furthermore, it would eliminate the majority of possibilities of state agencies having to repurchase former state lands following the sale by the Commission into private ownership.

I should call the attention of the committee to the fact that Senate Resolution No. 22 adopted June 28, 1962, during the 1962 Third Extraordinary Session, reads in part as follows:

> "Resolved by the Senate of the State of California, that no action be taken by the State Lands Commission to adopt or otherwise effectuate the recommendations unless and until the proposed program has been reviewed by a Senate committee and a report thereon has been filed with the State Lands Commission."

The Senate Natural Resources Committee is now scheduled to meet with the State Lands Commission for such review on September 27, this month.

I believe of interest to the committee will be the fact that in conformance with existing law and with the cooperation of the State Controller, the State Lands Commission now has a very comprehensive and complete index of all state agency lands. The only exceptions from this index are lands deeded to the state due to tax delinquencies,

and lands acquired for highway purposes. Parenthetically, the tax deeded lands are indexed in the office of the state controller, and of course the lands acquired for highway purposes are indexed by the Division of Highways for the Department of Public Works. However, outside of the exceptions, all of these lands are indexed in the Sacramento office of the State Lands Division, alphabetically, by counties, with a breakdown of each agency ownership reflected within the respective county. With the completion of a data processing system presently being installed in the Division, detailed statistical data will also be available as to all of these lands.

LEVERING: Does that include an inventory of Beaches and Parks, also?

HORTIG: Yes, sir.

LEVERING: Everything except the highway department.

HORTIG: Everything except highways and tax-deeded lands. Actually the statutory exceptions to the indexes to be maintained by the State Lands Commission include one other class of land. By law, escheated lands, which come under the jurisdiction of the State Controller's office, are not required to be maintained in this index, but in order to make the index more comprehensive and in view of the fact that the State Controller is a member of the State Lands Commission, and currently the Chairman, these lands, while not required by law to be indexed in the Lands Commission index, are in fact, so indexed currently. This means that to determine any state interest in any land in California, we have narrowed the necessity for record review to one of three locations, the tax deeded land index, the Division of Highways index of the highway lands, and the State Lands Commission index as to all other classes of state owned land.

McMILLAN: Does this include the University of California, too?

HORTIG: The University of California administrates its own

operation. They are not even mentioned in the statute as an exception. They have never been included within the statutory directive as to either land classifications or indexes to be maintained by the State Land Commission.

KENNICK: Mr. Hortig, what attempt is made, and I presume there is a great deal of land that we are talking about here, land that currently is useless to the State of California, what attempt is made to get that land on to tax rolls somewhere?

HORTIG: Mr. Kennick, I'll have to subdivide into two parts -- as you know from adoption of the annual omnibus bill for the disposal of so-called surplus properties, which is administrated by the property acquisition of the Department of Finance who are represented here today, these actions by the legislature relate to those lands purchased for state use and which have been determined subsequently to be surplus. These are not under the jurisdiction of the State Lands Commission. As to the vacant state school lands and lands acquired in lieu thereof, on which I reported, the purpose of the study, the inventory and the classification which the Commission undertook, was to determine and classify and make available those lands, to be able to distinguish, those lands that have a public use and which should be retained for management for long term revenue production for the state, and also to set aside those lands which should be made available for public sale, even as such lands were sold by the Lands Commission and its predecessors, prior to May 24, 1960. Now, the latter program, as you have heard, has not been completed and the Commission has not been in the position to adopt the final formal policy in view of Senate Resolution 22 of this last session, which will be reviewed with the Senate Committee on September 27. In other words, the short form answer with respect to the vacant state school land, is that the withdrawal from public sale is still in effect until the Commission can adopt a new program and

policy which they have under consideration and which would even now be in effect in some form but for Senate Resolution 22.

LEVERING: I was asked a question on this same subject by a very prominent superior court judge the other day. He just touched on it, and I didn't have the slightest idea what the answer would be to it. This is the question -- your comment a minute ago relating to the sale of lands that had been acquired and then you didn't use for that purpose and then disposed of them again -- this judge asked me this question. He said, "You know, when a public body acquires land through condemnation proceedings, they first have to be shown a -- what do you call it -- I think a public necessity to have it. That's when you go into the court. Now," he said, "suppose they change their mind and go somewhere else and don't use that land for the reason that they acquired it, just what sort of a legal position are they into?"

HORTIG: Well, Mr. Levering --

LEVERING: The point that he raised, is, suppose that this land has been held for some length of time, and then it is sold at a higher price than the price that they got on their condemnation proceeding. He asked the question. I don't know the answer. I thought maybe you could give it to us.

HORTIG: I believe I know the answer, but I think in deference to the fact that the Department of Finance expert on this surplus property disposition as well as property acquisition for the Department of Finance is in the audience, the question could be held until he appears or is called. He can certainly give you a more comprehensive answer and properly authoritative answer than I should undertake.

CAMERON: Mr. Hortig, the great bulk of the land that comes under your jurisdiction actually is that that is the congressional grant land, school land, is that correct?

HORTIG: As to the upland, yes, sir, and as to that which has a

potential for disposition. As to area, there is a much larger area of tide and submerged lands under the jurisdiction of the Commission, which also is managed for revenue production, but is not for sale.

CAMERON: Which is not for sale. On the Sections 16 and 36 situation, you mentioned land that the Federal Government has subsequently reacquired. I assume this is where they have taken a big block of land for an airbase, or something like that?

HORTIG: Military installations, national monuments, created subsequent to the grant to the state. For example, there is considerable -- actually title to these sections does not rest in the state until the area is actually surveyed by the state by the Bureau of Land Management and the survey plot of the area is approved. And despite the highly settled condition of portions of California, there are probably something like a million acres plus, in the mountainous, desert areas of California that have not even been surveyed to date, in which, when surveyed, the state will probably become entitled to something on the order of a 100,000 acres of land when those plots are available and title is transfered to the state.

CAMERON: When the Federal Government takes a large piece of land back which includes some of that which actually has been surveyed, what is the procedure then for compensating us for the land that they are taking away?

HORTIG: Nominally an exchange of such state lands as may be within the exterior boundaries of a new Federal taking, for example, the Marine Corps Annex at Barstow, as established, has within its exterior limits a considerable amount of state land on which there are currently negotiations for exchange of those state lands for other federal lands outside the Marine Corps limit.

CAMERON: And when we dispose of this property, how is the money treated?

HORTIG: The money must go by the California statutes and constitution and the original grant by the United States, to a permanent school fund.

CAMERON: The interest off of this goes into then, to the regular fund.

HORTIG: It is appropriated into your education budget by the legislature.

CAMERON: How is this separated from the grants of lands that are made to the colleges under the state act, originally?

HORTIG: Only in the distinction that the grants made specifically in aid to education under which Humboldt Teacher's college, now a state college, was established, and most of the lands which were acquired by the University of California, are now administered by the University of California.

CAMERON: Humboldt State Teachers -- that is not administered by the University, is it?

HORTIG: No. These lands were liquidated for the benefit of the State Teachers' College system, at the time.

CAMERON: Well, lands like -- we took several sections such as 16 and 36 and sold them to the public and took the money and created the state teachers college?

HORTIG: Actually, in fact, for certain specific purposes there were grants in bulk, 500,000 acres at a time which the surveyor-general's office, at the time the constitutional officer who had jurisdiction over these lands, disposed of to the public and these funds were used in establishing these educational institutions.

CAMERON: Approximately how much is in the dedicated fund right now?

HORTIG: Between 25 and 30 million dollars.

CAMERON: And how many approximately, acres of land are involved

that the state now has that are also pledged to this program?

HORTIG: Considering the amount of land to which the state has already received title, and the amount of land to which the state still is entitled, including the grants which will come when the unsurveyed sections are surveyed, the grand total will be on the order of a million acres. Roughly, one percent of the total area of the state.

CAMERON: Thank you.

McMILLAN: Any further questions? Mr. Miller wants to ask a question, Mr. Hortig.

MILLER: Mr. Hortig, to your knowledge is there any coordination between the inventory of lands that you have under your control and the planning to meet the needs of various governmental departments, like Parks and Recreation, beaches, highways, and so forth?

HORTIG: Well, Mr. Miller, do you mean is there a statutory or regulatory requirement for this coordination or practical --

MILLER: Is there any practical -- is there anything in practice?

HORTIG: On a practical, cooperative basis, it is effectuated.

MILLER: For example, you have a State Planning Office. Does that agency, or any other agency right now, attempt to group together the needs of various government department with what the state now owns in lands, and buildings in case somebody else can answer that part of it?

HORTIG: I would feel that probably the State Planning Department should comment directly thereon. I can tell you what the practical results are. Because of the known availability of these lands, because of the screening program for public agencies which has been established by the State Lands Commission, and because of the known existence of this index, the Department of Finance, the Property Acquisition Division of the Department of Finance, the Division of Beaches and Parks, the Department of Fish and Game, all, on a cooperative basis, do review and discuss and program and plan, so far as it is feasible, their

programs as against the availability of these lands that are under the jurisdiction of the State Lands Commission. But purely on an inter-departmental cooperative basis. I'm sorry. I left out Water Resources.

McMILLAN: Any further questions? Mr. Bradley.

BRADLEY: You mentioned the possibility of a need for a change in the law which would make it possible for the state to sell salvageable timber, that has been burned, rather than having to sell the land. It seems to me this is a real weak spot in our present law. I would assume that you people would certainly have some discretion as to whether or not you had to sell the land. You could salvage burned off timber.

HORTIG: This is the Commission's desire, but this is not what the law apparently provides, and there will be a recommendation to the legislature from the State Lands Commission to this effect at this forthcoming session.

BRADLEY: I am certainly very interested in that. Would it also be within the power of your department or your division to undertake the reforesting, or work out some plan whereby reforesting could occur after the lumber has been salvaged, assuming you could retain the land, or is this just left to natural forces to reforest it?

HORTIG: No, sir, it is not. In skimming over the report you have before you, on page 4 I reported that under Section 6201 of the Public Resources Code, "The commission may from time to time classify any or all state land for its different possible uses, and, when it is deemed advisable, may require the Department of Natural Resources, the Director of Agriculture, or any other officer, organization agency or institution of the State Government to make such classification. It is the duty of any such officer, organization, agency, or institution to make such classification and to submit a report thereon upon the application of the commission." Utilization of that authority, under which we have always had only the best of cooperation with all the other departments,

has also resulted in state lands that might be desirable for reforesting or state lands which already had forest on them, being transfered to the jurisdiction of the State Division of Forestry to operate under the Forestry program, or to be reviewed and experted by Forestry in connection with reforestration of a particular area. These things are not left to drift. They are administrated, and they are administrated by the particular technical experts in the field that are necessary for the operation of these lands. This, of course, will be an expedited program as and when the Lands Commission can adopt a lands management program for management of lands under its jurisdiction, which will be the first time in the history of the State of California that there will be a management program.

BRADLEY: Is there any of the departments that you know of, including your own, that has plans for such things as preserving wilderness areas, in which you are not trying to sell surplus lands as such, but preserve them as a sort of public wilderness area?

HORTIG: We are of course aware of and have cooperated with the Federal agencies who are particularly desirous currently under Federal Senate Bill 174 for the establishment of wilderness areas, of having participated in inventories of such areas, together with Beaches and Parks, Fish and Game, and the rest of the above mentioned agencies. And, indeed, there is a resolution of the State Lands Commission supporting the program of the Federal agencies in this regard, and there are no conflicts in this regard.

McMILLAN: If there are no further questions, have you concluded your statements? Thank you very much Mr. Hortig. Mr. Brown, would you like to come forward? Do you have a statement which you would like to make?

JACK BROWN: Thank you, Mr. Chairman, and members of the committee for allowing me this time. I am Jack Brown, Legislative Representative

for Mayor Samuel Yorty of Los Angeles. We have one item which Mayor Yorty believes is germane to H.R. 440 which you are studying now, in that it involves the efficiency and economy of two main departments of the state. Since the MTA Act of 1952, two great agencies of the state have been responsible for the transportation planning of Los Angeles. These are the Metropolitan Transit Authority itself, and the State Division of Highways. The latter agency has jurisdiction over construction of freeways, and the former over public transportation through most of a two county area that has as its hub the City of Los Angeles. These agencies have one responsibility in common, and that is the movement of millions of persons and hundreds of thousands of vehicles daily. However, MTA and the Highway Division are most often poles apart when it comes to cooperation. The most evident point where they could cooperate more closely is in provision for public transportation in the planning of freeways. California is the fastest growing state in the union, and most of the growth is occurring in the urban centers of Southern California, and the natural corridors of development in these urban centers are along the routes of freeways, for convenience of transportation is one of the main attractions to new property owners, whether private or commercial. We know this, because as soon as a freeway is extended it is choked with traffic. In fact, at that moment, with the concrete still gleaming and clean, that freeway is obsolete. Unless we just plain stop people from coming into California and buying automobiles, the only way to forestall this obsolescence is to make public transportation as attractive as we have made private transportation. An immediate way to accomplish this is to make provision for public transportation, preferably rapid transit, along our freeway rights of way.

Freeways could be engineered to incorporate rapic transit equipment provided the highway division and MTA could and would work together.

There are two possible arguments in opposition to this. First, MTA has not settled on any particular form of rapid transit, whether it be monorail, dual rail, subsurface or surface. Until MTA does come up with a definite type of rapid transit for general use, naturally the highway division cannot incorporate suitable engineering. The second question is the possibility that simultaneous planning for rapid transit might be construed as diversion of gas tax funds for other than highway purposes. However, Mayor Yorty believes that this would not be the case. Incorporating rapid transit in freeway planning would simply be a matter of engineering. Little or no additional rights of way need be acquired, and the freeway area devoted to rapid transit facilities could be reserved until MTA found it financially feasible to install equipment.

In short, gentlemen, such dual use of freeway rights of way which are acquired at staggering cost, would work toward more efficiency and economy in two great agencies in the state. Furthermore, this would give even more service to the citizens of California from these agencies. Therefore, on behalf of Mayor Yorty, I respectfully urge this committee to include in its report a recommendation that legislation be enacted directing MTA and the State Division of Highways to work in close cooperation. In addition, we ask that MTA be directed to proceed in all prudent haste to develop a rapid transit system.

McMILLAN: Do you think that our resolution, or whatever we have, will have any effect on the management of MTA?

BROWN: I most certainly do, Mr. Chairman. I think it most certainly would be effective, and also effective upon the highway division to work closely with them in all future planning.

McMILLAN: Your version is that the highway commission is waiting upon the MTA to submit some feasible plan.

BROWN: Apparently so. It seems to be it. I can think of no

other reason why the highway commission would not work in cooperation.

LEVERING: What you want us to do is act as a catalyst, to put it together.

BROWN: Absolutely.

CAMERON: Mr. Brown, isn't there a general problem involved here also with respect to the fact that 95% or something like that of the high construction cost is actually borne by the Federal government through the Bureau of Roads?

BROWN: Yes, it is, but as we pointed out, we don't feel that there would be a cost of additional rights of way, it is merely a matter of engineering and design.

CAMERON: What I was driving at, from a design standpoint, the designs would have to be approved by the Federal Government and acquisition would have to be approved by them as it effects other than surface transportation of vehicles.

BROWN: Perhaps it would. I am not that familiar with the provisions of that to know.

McMILLAN: Mr. Miller, do you want to ask a question?

MILLER: Mr. Brown, I wonder whether Mayor Yorty has talked with the City Engineer of the City of Los Angeles prior to coming up to Sacramento to talk with the State Highway Division, and asked them in their designing of such routes as the new Venice Expressway, for example, to include rapid transit in that type of design, because it certainly would be feasible, right within the city's own authority, looking at an east-west route, which starts at the beach, and heads right into town, where the rights of way are already acquired, at least as far as I know, to the major proportion, for the city to have a very feasible route, from a very desirable area which is growing rapidly in terms of its popularity, the beach, right down to the center of Los Angeles. So maybe the Mayor ought to look into his back yard first before coming up

to Sacramento.

BROWN: I will most certainly stand ready to do that.

MILLER: This committee might even pass a resolution to that effect if you thought it might help the Mayor make up his mind.

McMILLAN: Now, now, Mr. Miller, you're going off the deep end. Thank you, Mr. Brown. Any questions?

ELLIOTT: Mr. Brown, when a highway route is planned through the City, a compact is entered into between the city and the Division of Highways, isn't it?

BROWN: Yes, that's right.

ELLIOTT: There are negotiations that take place at that point, and they enter into a compact and actually no city street can be closed off without the permission of the city, by the Division of Highways. Then to follow along with what Mr. Miller said, it would be possible at that point in negotiating any new freeway routes, to bring in this matter of trying to integrate the plans for the highway or freeway route with the possibility of using it for rapid transit routes?

BROWN: Certainly. It might be one area in which they could meet. MTA could join the city in determining the route and the closures along that route.

ELLIOTT: Is there any indication that the Division of Highways has shown any interest in integrating the development of routes with the rapid transit system?

BROWN: To our knowledge, nobody has cracked the whip.

ELLIOTT: It is my impression that they go along their own merry way, and, pardon the expression, the heck with everybody else. Maybe I am being a little too severe there.

BROWN: Although I have not discussed this with anybody from the Division of Highways, undoubtedly they would be perfectly willing to cooperate with an agency such as that.

ELLIOTT: I feel very strongly that there needs to be this type of cooperation and exploration of every possibility of integration of development of our freeway system with a rapid transit system in all the big metropolitan areas. I think it is just common sense and it is one of the areas that needs to be explored and it is an extremely critical problem that we have in the Los Angeles metropolitan area and I am sure also in the San Francisco metropolitan area, developing a more efficient and better way of moving people in these areas. I certainly would support any recommendation of this nature, that everything be done, looking into the possibilities or coordinating, and the development of freeway routes through these metropolitan areas with the development of rapid transit systems.

KENNICK: Mr. Brown, did you say that the Mayor viewed with favor or disfavor diverting of highway gas tax funds into the field of rapid transit?

BROWN: The diverting of highway funds, as they now stand, into rapid transit, yes, sir.

KENNICK: He is in favor of diverting gas tax, highway users funds?

BROWN: There has been a proposal to divert a portion of highway funds as now collected into construction of rapid transit facilities. He is not alone in opposing that because Supervisor's Chairman Ernest Debs came out yesterday, appeared before a subcommittee of the Assembly in Los Angeles, and said that he was against that, also.

ELLIOTT: Mr. Chairman, may I ask a question here? Isn't it the contention of Mayor Yorty that the integration and development of freeway routes with plans for rapid transit is not a diversion of highway users' tax? That this could be done without any conflict with the principle that he and Chairman Ernest Debs of the Board of Supervisors support, that there shouldn't be diversion of these funds.

BROWN: This would entail little more than engineering and design

in freeway construction.

KENNICK: I would be curious, Mr. Brown, and I don't know how deeply you have gone into this thing. Railroads, by and large, fight a losing proposition in the hauling of passengers between points in to cities. Now, what makes us labor under the illusion that a rapid transit system would do better? For example, the trains going out the peninsula from San Francisco fight a losing battle day after day, from a financial point of view. Would we improve that by elevating those cars in the air a little bit, and running them a little faster? I am asking for information. I would really like to know.

BROWN: As I see it, that was one of the reasons why the Metropolitan Transit Authority was set up as a revenue producing agency only. It has no other source of revenue except the fare box. Consequently it must finance construction out of its revenue from that fare box, and naturally it is not going to go ahead with construction or planning for construction unless it is economically feasible. Unless MTA, through its surveys, comes up with an estimate that such a line will pay its own way.

KENNICK: For example, the MTA took the red cars off of the line between Los Angeles and Long Beach. They said this is not economically feasible, to maintain these cars. Now, was it because of the lack of elegance of the cars, that they were losing money, or will they improve it more by making it prettier and putting them up in the air, is that going to make the people ride the cars between Long Beach and Los Angeles? They didn't ride on the others.

BROWN: That would be up to MTA to determine through its surveys. It would be more efficient service, probably, I would think. I have been told that the removal of the red cars between Los Angeles and Long Beach after keeping them on for a long period for sentimental reasons, they have removed them for economic reasons because it was just far too

expensive to maintain their rights of way, and the block signalization, and other equipment which they had to have for it. It is far cheaper to run busses.

KENNICK: But certainly the bus service isn't an improvement over the red car service. Not by a long ways.

BROWN: I wouldn't say so, either. I'd rather ride the red cars any day.

McMILLAN: Thank you, Mr. Brown, for appearing here today. We appreciate it. Now, we have two more gentlemen from the Department of Finance, H. Curt Vincent, Chief, Property Acquisition Division.

VINCENT: Mr. Chairman and members of the committee, I am H. C. Vincent, Jr., Chief of the Property Acquisition Division of the Department of Finance. Mr. Hortig's charitable definition of an expert was extremely charitable. I do not have a prepared statement for you. I have filed with your committee secretary an outline which I intended to follow if that were the desire of the committee. In submitting that outline, it was done without knowledge of the fact that Mr. Hortig was going to speak in depth regarding the program of the State Lands Division. The Department of Public Works is well represented here and can speak in depth regarding the Division of Highways. I stand ready either to follow the rough outline in which I would try and identify the real estate agencies of state government, briefly outline their functions and procedures and general policy, or if the committee would prefer, I can respond to the best of my ability to your questions directed toward the field of inquiry that you are most directly interested in.

McMILLAN: Do you want to go ahead and briefly hit the high points of your presentation?

VINCENT: Possibly, Mr. Chairman and gentlemen, it would be of interest to note that in the state government total, there are six

major real estate units. I should add that there is a small seventh. When Mr. Anderson was here this morning, with the Department of Fish and Game -- it conducts a small, in terms of money expended, program. Real estate acquisition for the conservation board. I neglected to include it, because in total dollars it is not large.

Of the six, in a category that properly should be separated, is the University of California. Their program, administered by the regents, is separated by the constitution from the normal processing of real estate transactions of government, is in general a small one. Occasionally, and in the past year or so, this occasion has occurred, they embark on a program of buying major new real estate facilities. As witness, the new campus of the University in Orange County, and the campus in Santa Cruz County, and the expansion and development of the La Jolla campus in San Diego County. As a general rule, however, their real estate activities consist of opportunity purchases, planned growth expansions of existing campuses. On the other side of the real estate scale, they dispose occasionally of real estate gifts which are given to them in trust, the proceeds from the real estate being directed toward some sort of student endowment. In total, and in comparison with the real estate program of the other state agencies, theirs is small.

Without any question, the largest, and the leader, in the field of real estate purchases, real estate management, and real estate disposal in state government, is the Division of Highways, administered by the State Highway Commission, undertaking annually a program of in the neighborhood of $150,000,000 worth of land acquisition on an annual basis.

The rest of us, the other four agencies, the unit in the Department of Finance that is a service unit for a number of the state agencies, my division, the Property Acquisition Division; the Department of Water Resources; the Reclamation Board; and the Division of Beaches and Parks;

are small in terms of personnel engaged in the program, small in terms of dollars expended, in relation to the size of the program of the Division of Highways.

There is, as has been stated, I think, previously before your committee, a very high degree of informal coordination among these six agencies of state government. Not on paper, not written down in the formal administrative procedures of state government, but that comes about because of the fact that there are only six units. The six of us exchange information on a day by day basis, frequently regularly, each of us is always generally aware of the program of each of the others. Frequently we are intimately aware of the program of each of the others.

The second item is to indicate the common policies and coordination among the various agencies of state government in the area of selecting, appraising, negotiating, and condemning. First referring to the process of selection, the selection is by the regents of the University of California, by the State Highway Commission, by the State Reclamation Board, by the State Public Works Board. In each case, the decision to acquire a piece of real estate has been vested by the legislature in a body, a board or a commission, entrusted by the legislature with the serious responsibility of arriving at a conclusion that public necessity requires the purchase here of this route for a facility of the Division of Highways, or the Department of Water Resources, or this area of ground for an operating institution of state government.

In the field of appraising, we fight the common problems, we attempt to make most professional, most fair, most thorough, the advance appraising of a piece of real estate privately owned which is desired by government. In all of the undertakings of government, this is one which in my personal opinion involves a trust which had better be handled carefully, and with absolute thoroughness, equity and fairness or the whole structure of government will be destroyed. The science of

appraising is a difficult one, because it is not a true science. The ability to appraise is an ability that finally results in one man's opinion. What we have attempted to do in state government, and this is common, and this is only true, incidentally, within the last couple of years, we have embarked upon a uniform, coordinated, and concentrated effort to improve the quality of appraising. Appraising is an absolute essential, appraising and the review of the appraisal product, prior to negotiations is the keystone upon which all of these agencies of state government embark on their land acquisition program.

In the field of negotiating, we again, in the case of both appraising and negotiating, we are emphasizing the use of staff personnel, attempting to train them, make them more efficient, more effective in their performance. In the field of negotiating, there is less negotiating in the acquisition of property for government of the State of California than there is selling, convincing, and persuading a property owner that government is treating him with absolute equity, fairness, that the same practices and policies are followed in Eureka as are followed in El Centro. Through all of our agencies, the pressures are on, the problems are always confronted, to treat any particular project in a vacuum, give it particular consideration because of the demand for the program agency who is in a hurry to single out and give this one preferred treatment, where the answer is that the state of California is buying real estate today, will be doing so tomorrow; we're dealing with the same first class citizen in Northern California as in Southern California, and through a management policy, which is voiced with absolute unanimity of thinking, by the Division of Highways and by the Department of Finance, we attempt to apply absolute uniformity and equity at all times.

In the field of condemning, which is a necessity, when it is not possible to acquire real estate on a negotiated basis, if public necessity is conclusively established, it becomes necessary to condemn

it. There are three legal sources available. The University of California has its own counsel. The Department of Public Works Division of Highways has its Division of Contracts and Rights of Way, represented here today by its chief attorney, Mr. Reed. The rest of us have available to us the facilities of the State Attorney-General's office. That is the Counsel for the State of California.

On the question of surplus lands, and I believe some of your inquiries have been directed in that direction, the state surplus lands and land inventories, Mr. Hortig has described the inventory of the State Lands Division. My office maintains a recurring annual program under legislative requirement that we solicit the state agencies for their surplus requirements, that we inform the legislature of lands that are surplus to the needs of state government, that we recommend that we be given legislative authority to dispose of these lands. When that legislative authority is obtained, we re-circularize the state agencies to insure that there is no other state use. We then seek, and offer to, local governmental jurisdictions the opportunity to buy the surplus lands on a preferred basis. If there is no response, then our last recourse is to sell, either by bid or by public auction, to private buyers, lands that are, as carefully as we can perform the function, truly surplus to the requirements of state government. The Division of Highways again, has its own program in that same area.

In the case of Federal lands, we deal, and my department being a part of the Department of Finance, deals frequently and regularly with the three units of the Federal Government that has surplus lands, or that have lands that can be made available to the State of California. The Director of Finance is the official applicant to the Federal Government for lands that are surplus to the General Services Administration, that are available to the state on a discount basis, through the Department of Health, Education and Welfare, that are available to

the state either on a discount basis for recreational purposes through the Bureau of Land Management or can be purchased at their fair market value by the Federal Bureau of Land Management. There is between the state government and the federal government very close relationship, very high degree of coordination. Our complications are complications of paper work and title rather than any conflict in the area of a desire to continue either at the federal level or state level, lands that are in public jurisdiction, and devote them to their best and highest use.

The last of my outline is a few miscellaneous problems that I jotted down in a hurry, and the more I read them, I am not at all sure that they represent all of the problems, nor am I sure that they represent the most important problems that confront us that work for state government in this field of real estate.

That, Mr. Chairman, is the extent of the presentation that I was prepared to volunteer. I'll be glad to respond to questions.

McMILLAN: Thank you, Mr. Vincent. Are there any questions from members of the committee? Thank you very much for appearing here. Our next witness will be Mr. Ken Blankenburg, Acting Chief of the Cost Control Division.

BLANKENBURG: I am Ken Blankenburg, Acting Chief of the Cost Control Division, Department of Finance. On my left I have Doris Weaver, who prior to coming to work for us in the State Department of Finance, had considerable experience in records management in the Department of Social Welfare, and in the Division of Highways. Doris is our administrative analyst in charge of the records management program and accordingly, will be better able than I would be to answer possibly, some of your detailed questions.

This morning when I came in I submitted to your sergeant at arms a copy of the prepared report which I have, together with a considerable amount of other material which represent reports which we have made on

this subject, and training aids which we have been using.

McMILLAN: We have your statement here, haven't we? Then would you just hit the high points?

BLANKENBURG: All right. Record-making and record-keeping are a vital part of all state operations. I think we all recognize that we couldn't build highways or take care of the mentally ill without records, but it still behooves us all to keep our paper work program down to a minimum, because we have to recognize that in themselves they are a necessity but they do not produce anything in themselves. So, therefore, early in 1960, the Organization and Cost Control Division initiated a study to review the state's paper work program. We found that earlier attempts had met with only moderate success and we produced one of these reports you have there, called "A Program for Paperwork Management in California".

We found that a few agencies had a successful paper work program. On the whole, however, they did not; that controlled record making was ignored; that improvement in the records management program was somewhat hampered by lack of central guidance, coordination, motivation. We found out uncertainty existed among the agencies with respect to what was their own responsibility, and what was the responsibility of the Deaprtment of Finance, and what was the responsibility of the Secretary of State.

We issued the report which had two general recommendations. The first one, for clarifying the responsibility and so stating in the State Administrative Manual, and second, to have the agencies implement a comprehensive paperwork management program related to record making, record keeping, and record disposition.

Our recommendations for immediate implementation related to having agencies concentrate on development of record disposition schedules. We thought that this was an area in which they could make significant

savings with personnel that they had available. I will indicate to you later this proved to be true.

We suggested that an interagency Paperwork Management Conference be established so that these people who were working in paper work could get together and exchange ideas. We ourselves undertook studies in certain records management problems and those studies are among the material which we have presented to you.

The staff report on paperwork management was given to the Governor by the Director of Finance, and the Governor transmitted this report to all state officers and department heads indicating his support of the program and asked that they implement it with all reasonable haste.

Now let's talk about the implementation of the program. Agencies to date have designated record coordinators. An Interagency Paperwork Conference has been established. The Department of Finance has established controls for the purchasing of specified file equipment. An agency cannot purchase file equipment, and Mrs. Weaver told me this morning that some $50,000 reverted last year because agencies had not been able to certify to the Department of Finance that they had a good record disposition program which involves an inventorying of the records, a studying of disposition schedules as to when these documents automatically will be destroyed, or if they are needed intermittently when they should go to less costly storage space.

We have provided consultation and advice and training to the agencies involving training kits, that is some of the material that you have there, and workshop sessions in various large cities in the State of California. We recommended and the Secretary of State established in California established in Los Angeles a 10,000 cubic foot low-cost records center in August of this year. We have provided a method for agencies to report on results, because afterall, this is a program which we have found in the past, unless someone keeps constantly on top of it, we don't seem to have a great amount of appeal, but we got

the ball rolling now, so we are asking them to report the results. The progress report for the period from July 1st through December 31st, 1961, indicated a destruction of 45,000 cubic feet, and 45,000 cubic feet amount to actually 45,000 square feet of floor space, because when you consider the aisles, that is about the appropriate ratio. 45,000 cubic feet of records were destroyed during that period of time. 20,000 cubic feet were transferred to low-cost storage. And when you transfer records to low-cost storage you save approximately $30 per 5-drawer file, compared with maintaining them in office space. We certainly don't want to indicate that none of these records would have been transferred to storage, or none of these records would have been destroyed if this program had not been given the impetus by our department and the Governor's office, but we feel that this represents a substantial larger destruction and transfer than otherwise would have taken place. We have developed standard memorandum stationery which facilitates printing and has saved the state some money during this last year. Likewise, in the field of personnel records we have provided for greater standardization.

So much with respect to the past, what about the future? We expect, during the six months to initiate a forms program, forms and reports management. We feel that this is necessary because there are few agencies that attempt to systematically analyze forms and reports. These agencies average about 800 forms, not counting some standard forms they have, and we know that forms cost money. The State Printing Plant tells us that in the recent fiscal year agencies bought over a million dollars worth of forms from them and we know a similar amount has been purchased from commercial printers. We also know that it costs an awful lot more to fill out forms and file them and maintain them than it does to print them. Therefore it certainly behooves all state agencies and us as a catalyst to get going as soon as possible on the

very best methods of form design and forms control. First, with respect to our standard state forms and secondly, with respect to our agency forms, and to that end we are doing preliminary work and hope by the end of next year to have provided them with training material in this field, just as we have in the last year with respect to records disposition.

Getting back to records disposition, we would hope that the Secretary of State would be able to establish a record storage facility, about 10,000 cubic feet in San Francisco during 63-64 fiscal year, because, as I have indicated before, the facility should save more than $30 for each 5-drawer file because when you compare the type of storage and the cost of rental per square foot with office space.

Once we get through the forms design program and keep plugging at this records destruction program, then we hope in 64 to get into refinement of correspondence management, mail practices, and certain other phases of files management.

In summary, we feel that the state has made fairly significant progress in the last year. Twenty-six agencies instead of probably a mere handful, now have effective records disposition programs. We feel that with the stimulation, plus the stimulation coming from the inability to buy files without certification, that by July 1, 1963 that all state agencies will have effective records disposition programs. This job, I would like to point out to you, must be done primarily by operating agencies. We in Finance can provide the guidance and stimulation and the assitance, but records management is everyone's business.

Now, Chairman McMillan and gentlemen, I did not include in my prepared statement here, any comments with respect to the effect of electronic data processing on records, because that is not directly a part of our paperwork management program. But I would like to mention

that in our Organization and Cost Control Division, we do have a small unit of electronic data processing systems analysts whose job it is to stimulate the state agencies to use the electronic date processing in those instances where we believe that it is good business to do so. And indirectly, as a by product of getting these fast answers from these machines, where tape is involved, we find substantial savings in office file space, because we can put the equivalent of 8 punch cards about this size, 640 characters onto a piece of metallic tape, not much thicker than this sheet of paper and the size of a postage stamp.

McMILLAN: Do the state agencies call upon you for guidance in this respect?

BLANKENBURG: Yes, they do. This is one of our responsibilities to work to stimulate those who maybe are a little bit afraid to get their feet wet, and on the other hand to keep them from barging in without quite thorough feasibility studies.

McMILLAN: Do you have the staff and the facilities to encourage and to educate these different agencies on the latest methods?

BLANKENBURG: We have one senior electronic data processing systems analyst and 5 others working with him, and these people have had by and large extensive programming experience, and management experience in this field. For instance, my senior came from the Department of Employment where he had a significant part, when he was working there, in the conversion of 25,000,000 wage records which occupied 350 files, occupying 3,000 square feet, and they now have all of this occupying 32 square feet as far as the files are concerned, because you can get the equivalent of a 24 drawer tab file onto a tape of about this size. Yes, we feel that we have that capacity and we work closely with the state agencies. There again, we do the stimulating, and it is their responsibility. We review their problems and work with them and the venders and they send it out to the venders. They then review it,

because they're going to have to operate from it, so naturally there is considerable competition among venders, and there are problems in evaluating this, and it is not like bidding on a car. So we work with them and help evaluate and raise questions for the venders to answer, to the groups's satisfaction.

This is basically all that I have to say, except possibly in closing that to some degree, as a result of gathering of the departments together in agencies that we find greater interest in coordination, paper work creation or paper work destruction, than we have seen in the past. For instance, we have a plan working whereby a personnel document will go to the controller, he will punch from it all the information necessary for the personnel board and the retirement system, together with his own, and through this coordination we will save some paper work. There are other places, like highway patrol, highways, and motor vehicle, where, rather than all keeping records for a long period of time, after a short period of time it has been decided that highway patrol would keep certain accident records. I will try and answer any questions that you have.

McMILLAN: Any questions from the committee? If not, we appreciate your presence and your presentation. Thank you. Now we will hear from the Department of Public Works, John Stanford, the Assistant Director, Robert Reed, Chief Counsel, and Rudolph Hess, Chief Right of Way Agent, all from the Division of Highways. All right, gentlemen, go right ahead. State you name for the record, will you?

REED: I am Robert Reed, the Chief Attorney of the Department of Public Works, and with me are Mr. John Stanford, who is the Assistant Director. He has been with the Department some six years, and I like to put it that before that he was with the Department of Finance and graduated from there to our own department. He knows the field, I think, of organization, cost control, and that type of thing very well. And

then Rudolph Hess is our Chief Right of Way Agent, and has been with us many years. On the agenda, here, and three topics -- Agency Overlap, Paper Work, Acquisition of Lands, etc. I think we are concerned with all of those things and we have some information here that I hope will be helpful on each of them. Mr. Stanford can take it up basically from the departmental wide outlook and Mr. Hess can go into the right of way matters. If it would be permissible I would like to say a few words in connection with the rapid transit problem that was mentioned a few minutes ago. I think I can clarify some things about it. As Mr. Elliott brought out, before we build a freeway we have a freeway agreement with the city or a county, but the cooperation with the local agency starts long before that. Under the statute that was passed in 1961 which really codified the procedure that has been in effect since 1948, the local officials are contacted by the Division of Highways at the time studies are started for the development of a freeway route, and they are kept advised at all stages from then on. In the Los Angeles area, for example, every freeway route, I believe, that we have in the State Highway system, was on the master plan of the Los Angeles area prior to the time even that it became a state highway. And these highways were put into the state highway system by legislative act after they were on the master plan of the local agency. So the legislation, of course, specifies the termini of the highway route, and it is up to the highway commission, then, to determine any precise location. And when those studies are begun, all of the local agencies are informed immediately that we are starting to study this freeway program for this particular route and we want all the information that we can get. And from that time on, then, the local agencies are contacted and then we have the public hearings, I think, with which you are all familiar, to finally adopt the route locations.

McMILLAN: May I ask a question? After this route is adopted,

and after it has been recommended by the local authorities and the plan has been adopted, what if the local officials change their mind, or conditions change in the district and they regret that they have recommended this highway and they would like to back away from it, after the route has been adopted, is there any possibility of the highway commission ever backing away from a route?

REED: It has been done many times. If conditions change before rights of way have been bought or something new happens and the route should be reconsidered -- it can --

McMILLAN: Sometimes even after some of the property has been purchased?

REED: I think that has happened. I don't recall an instance, exactly.

McMILLAN: We happen to have a case right down in my district, around Culver City, where the previous City Council recommended a freeway, that is the Marina del Rey freeway, and the City of Los Angeles recommended it, and the Board of Supervisors recommended it. Now, however, conditions have changed somewhat and the new Council came in there and they realized what a tax sacrifice it is going to be, so they are trying to back away from it, and get the highway department to abandon the plans completely. Is that ever done?

REED: Well, I don't know your particular situation, but there is no legal reason it cannot be reconsidered and I know that there have been many cases where they have reconsidered routes after they have been adopted. As I say, I don't know the particular situation there.

Secondly, as to whether the Division of Highways attempts to cooperate, we think we do, and we hope we do. The reason for putting out all this information about the tentative routes and so forth, is to get information from all other public or private agencies to see that we don't conflict. In the Los Angeles area, for example, I think

you'll find a great many projects where, with the Los Angeles County Flood Control Districts, things have been worked out simultaneously, for drainage and highway work. And, in connection with rapid transit there has been a great deal of that done. You may recall that provision has been made in many of the freeways in the Los Angeles area, for bus stops. The provision there, at first, prevented the state from paying for those. And some of them were built with money put up by the City of Los Angeles. Later, at our request, the statute was changed to permit the state to pay for bus stops in connection with freeways. We have done that in many places. There are bus stops in many places, even over the Sierras now, on freeway locations. In the Los Angeles area, the bus stops that were built in the beginning are not used very much, and we don't know just why, but that hasn't worked out as well as it might. In the north, if we can find out what the transit plans are, we attempt to coordinate with the highway work. We have an example of that across the bay, in Oakland. There is a so-called Road Shafter (?) Freeway there where if it goes, they will want to use part of the right of way there, and we have arranged the timing of the work on that job to hold off now, for something over two years, waiting to find out whether the rapid transit is going to go. There will come a time, however, when the decision will have to be made, do we wait any longer, or do we go ahead and build it. We are faced with the provision of the constitution as far as buying extra right of way. The constitution says that our highway funds must be used exclusively and directly for highway purposes. We don't believe that under that language we can legally go out and buy extra land on the basis that maybe, sometime, some rapid transit organization will come in and say yes, we need it, and we will now buy it from you. We don't believe that we legally can do that. And I think we would like to leave the thought with the committee that we certainly will want to cooperate wherever we can, and to the extent we can, under

the law, but we can't go ahead and spend highway money for a possible rapid transit plan that isn't developed and isn't ready to go.

CAMERON: Assuming, for the sake of discussion, a master plan, for rapid transit, has been adopted for all of Los Angeles and Orange County, and they have decided that they want to run parallel surface transportation along certain freeway right-of-ways. Now, you mentioned you couldn't go out and spend money now without this having been adopted. Would the highway funds be available for this purpose?

REED: You mean to buy the land on the basis that later, some time -

CAMERON: No, if the plan is adopted by MTA today. They know exactly what they want to do.

REED: I don't think so.

CAMERON: I am making a supposition. Of course they haven't done a thing.

REED: I don't think so. My thought is this, that if you have an organization that is ready to acquire right-of-way for rapid transit, and we are ready to get right-of-way for a highway, we'll cooperate and we will buy it all at once and they'll have their rapid transit area, and we'll have a highway area. They'll pay their share and the highways will pay its share.

CAMERON: They have to pay their share, though.

REED: Yes, that's the way we see it.

CAMERON: What happens with respect to your relationship with the Federal Bureau of Roads? And the approval of the roads in this instance?

REED: I think -- it's hard to say with certainty, but as I see it, you correct me, Mr. Hess -- I don't think that you would get any cooperation financially from the Federal Government for any property if it is to be used for rapid transit. The state would have to put up the entire 100% of that facility. I think if the construction of the highway, the cost were increased by reason of additional overpasses or

other facilities of that kind, that would have to be at state expense also.

HESS: We explored that particular situation and we had a tentative talking arrangement with the Bureau that they would participate in the that was required for the freeway and if additional area was on that, that that would be excluded in the total as far as their participation.

CAMERON: Let's assume now that they came up with some sort of an overhead type operation, so that it didn't actually utilize any of your direct right-of-way, except whatever the value of the overhead would be, what would happen there? We're now on a suspended monorail. They need places to put the stanchions to hold it up.

REED: I don't think it works out quite that simply. Ordinarily, except right in the middle of the downtown area, you try to build --

CAMERON: Surface right-of-way is cheaper.

REED: You try to build your highway in such a way that you fill here and you borrow dirt here. That's about the only way you can separate the grades of your various cross streets. And it wouldn't be quite so simple, then, to adopt your monorail to that. And if you had to change your design to go to structure all the way, instead of dirt fill, you would have a greatly increased cost of the highway itself.

CAMERON: What if they want to go underground, underneath your right-of-ways? Would they have to buy that from you, or would that be something that could be made available at no cost, because it doesn't interfere?

HESS: Well, the only problem there, this might -- this particular question hasn't been proposed, but it might be considered, if they wanted to go beneath the structure, it may require additional costs, to put in structure instead of fill sections, such as that, in that case, then, there would be a differential in cost, between what would

be necessary to furnish the traffic service as opposed to what would be necessary to furnish the combined service. In that case, if it were a Federal job, again the Federal government would only participate in that part that would furnish the traffic service.

CAMERON: Thank you.

ELLIOTT: Mr. Chairman, I didn't quite understand the answer. Mr. Hess, if no additional cost were involved with the underground route, would there be any problem? Perhaps Mr. Reed should answer.

HESS: I don't think so.

REED: That's really academic.

ELLIOTT: Of course this is engineering.

HESS: How it could be done, without additional cost, because to put anything underneath there, you'd have to have something to put it in, casing or something of that nature --

ELLIOTT: Well, that cost would be undertaken by the agency building the rapid transit route, I assume, the reinforcement costs. Any underground system would have to undergo the cost of making it --

HESS: Then I would say that no one could answer that right now, because the question hasn't been posed and analyzed on that basis.

REED: That is, as far as the Federal Government is concerned.

HESS: That's right.

ELLIOTT: Or as far as the constitutional provision is concerned.

HESS: As far as anything is concerned.

REED: Generally speaking, I would put it this way, there has never been any proposal that I know of that the state try to reduce the cost of building a highway all by itself by getting some contribution from rapid transit to build a highway. The state has never, as far as I know, considered that. It has always been the other way around. The proposal has been that state highway funds go to help build the rapid transit.

HESS: We would carry our total cost --

ELLIOTT: All I was saying, that if an underground bore were beneath the highway, using that route, that didn't involve any additional cost to the Division of Highways, would there be -- would that overcome the constitutional problem?

REED: I think it probably would overcome it. Yes, if there were no additional costs, but --

ELLIOTT: These are things that the engineers would have to answer, but if the total cost of building the route underneath were undertaken by the agency, say the Los Angeles MTA, the agency building the rapid transit route, and of course there wouldn't be any cost, that would follow.

LEVERING: There would be additional costs. If you built a pyramid like that for dirt, so you could put the subway underneath it, that would be fine until you come to an overpass, over one street, and then you have to dig down underneath the street that you are going over.

ELLIOTT: It would depend on the depth of the bore -- if you are down far enough, you might not even have that problem. But these are things the engineers could answer.

LEVERING: You'd have to be pretty deep, then, wouldn't you?

REED: Well, then you would have to have the whole tunnel section. It would be very expensive.

BRADLEY: When you acquire a right-of-way, though, you acquire interest in the land. Now, can you make a gift of your subsurface rights?

REED: There are provisions in the law now, to grant permits for use within the right-of-way so long as the highway use is not interfered with. People can put water pipes under the road and all that sort of thing.

BRADLEY: Well, then, I guess it would be a question, I suppose,

of whether you were interfering with the highway use and that sort of thing, to work out a contract with the agency to accept a long term lease of the underground --

HESS: Or easement.

BRADLEY: Or easement.

REED: We can make joint use agreements.

ELLIOTT: It is another state agency -- it doesn't involve a private agency.

BRADLEY: I don't think that would make any basic difference. You can't constitutionally make a gift of state property, you're going to have to --

REED: If you are not decreasing the value to the state, I don't think we get into the problem.

BRADLEY: Unless you run into a question as to whether or not sometime in the future the state itself might want to double deck or something like that and you would have a foundation problem.

REED: I think we'd probably have to provide for that in such an agreement.

BRADLEY: As I understand what you are saying is, at the present time, anyway, there isn't any immediate provision by which you can acquire future rights-of-way that would be used for rapid transit purposes, within the purview of the constitutional limitation that the state must only acquire, and what it does acquire, use exclusively for highway purposes.

REED: That's right, on the assumption that there is no transit agency that has any money to pay for it. If they do have the money to pay for it, we can go under the joint powers act, and acquire it.

BRADLEY: The only thing you would be doing then, is entering into a sort of a cooperative arrangement with another entity that is paying its own way, fully, so far as they are concerned, and you are concerned.

REED: That's right. And we do that type of thing right along, with flood control agencies and so forth. We'll make joint acquisitions and as I think Mr. Hess will bring out a little more in detail, we have with the Department of Water Resources, for example, on the canal down the valley and our west side freeway, we're making the joint acquisition there.

BRADLEY: When you complete a freeway, you sometimes have some odds and ends of land left over. I know this happened on Route 17 in Santa Clara County, very small pieces, odd shaped pieces sometimes, you pretty generally attempt to dispose of that as soon as possible, either get it back on the tax roll or dispose of it to a city or something like that, even a county, don't you, as a general thing?

REED: That's right. I think Mr. Hess can give you some detail on that.

HESS: Yes. That's a stated, printed policy, that as soon as we can, when we determine any land is excess, our object is to get it back on the tax rolls as rapidly as possible.

REED: Mr. Chairman, Mr. Stanford, I think, can give you quite a bit of information on the items in the agenda here, if you will pardon our diversion to this other subject.

McMILLAN: Did you submit that to the committee?

STANFORD: I don't have a prepared statement, Mr. Chairman. I am prepared to discuss briefly what we are doing, some of the main things in the field of economy and efficiency and go into certain of them as far as your committee may wish. But I thought it might be helpful to give you a sort of a quick summary of some of the things the Department of Public Works is doing along this line, if this would be agreeable.

McMILLAN: All right, we'd appreciate it if you could briefly touch on them.

STANFORD: Fine. I wanted to say a couple of things, first of all,

by way of general background. The first one is that of course we are basically in the building business, a construction agency building roads, bridges, and buildings. This means when we talk about paper work and this kind of savings, that we are not in the same situation as some of the large routine paper work processing departments -- you think of Employment or Motor Vehicles, or certain with this type work. A very small saving in a routine paper transaction is very significant. Or, other state departments, where you are dealing with case work or people over the counter and you have a certain kind of a problem. Ours is rather a professional type operation where there are very large sums of money involved in what we build, and the most important element of overall efficiency and economy is of course the facility itself and its cost initially and over the long haul, and our ability to plan and design and to keep the highways operated efficiently. This doesn't mean that we have any the less concern with matters of efficiency and economy, but only that it takes a somewhat different form in our effort than in a department which is more primarily paper work. It also means that it really is hard to isolate the subject that you gentlemen are interested in today, because practically everything we do in the way of managing the department in one way or another is for the purpose of increasing economy and efficiency or the productivity. Mr. Hess's operations, for example, in acquiring right-of-way, the professional calibre of that operation makes a tremendous difference in the cost to the state, and this is the largest sum of money involved, the actual cost of buying the property. Similarly our ability to plan ahead in advance, on which we have placed great emphasis, is one of the major things on which we rely for economy and efficiency in our operations. Not to belabor that point, but simply setting it in as background, I want to go more specifically to what I think you are interested in when you say economy and efficiency, in the more usual sense of administrative procedures,

organization and paper work, and that kind of thing.

The people from the Department of Finance have already told you of the state-wide program in records management which has gotten added emphasis within the last two years. I do want to mention the fact that it was the Department of Public Works and the Division of Highways that back about 1957 noted and implemented the first really complete program along this line and then more recently, Mrs. Weaver, who was here with you earlier, moved from our department over to the Department of Finance, and is now working on the application of this same kind of records management program in a wider area. This is something we have fairly much behind us, the housecleaning, but it is a continuing effort. We have a staff that each year goes through and tries to make sure that paper doesn't accumulate too much and that the new forms don't creep up. We had very large initial savings on this about 1958 and 1959, the same kind that other state departments are now finding now. It is a continuing benefit to us, at a relatively low cost. We maintain the system year by year.

The other things that I want to talk about are ones that we keep track of under what we call our economy program. Actually, although our total effort is, as I mentioned, all revolving around economy and efficiency, the Department of Public Works does keep heavy emphasis on this with all of the Divisions and we have just recently received reports covering the last fiscal year, as we do every year and have for two or three, now, on some specific things of significance that have been accomplished in the Divisions and things which they are presently planning to do that may pay off further. I find some difficulty here, because although I am enthusiastic about what we are accomplishing, I don't want to impose on your time a lot of technical details that I doubt you would find of great interest, so I'd rather like to illustrate with just a few examples. But to give you an idea of the magnitude, in

this report covering the 1961 - 62 fiscal year, there is better than $4,000,000 worth of improvements and economies and savings which we have accomplished in our one department in the course of our attention to this kind of effort. This consists, in some cases, of new methods in procedures, of the use of new equipment, it means in some cases that we have eliminated positions or we have held them vacant for a time or we have down-graded them and used less expensive personnel or we have been able to cut our operating expenses and also it includes the results of our merit awards program where we have had results through the adoption of employee's suggestions. But this is not unusual. It runs about this amount year by year through our economy program. As to the kinds of things that are involved in this sort of program, one example, for instance, in the Division of Highways during this past year, we have been able to make a savings of $220,000 in our annual traffic census. As I think you probably know, in a general way, one of our problems is to measure the amount of traffic on the state highway system at many points throughout the state, and this is a large scale research project of gathering data. We used to have to hire large numbers of temporary help, pick people up for a few days or a few weeks and have them actually count at many locations and record the data and then we had a laborious process of getting this tabulated and so forth. The way we have saved this money is through the use of automatic counters. It is now our practice to use automatic counters where, you sometimes see them on the road, these little black boxes with a cable running across the road, and inside that black box is a piece of paper tape and the location is already identified, and the traffic records itself and then actually we have been able to go one step farther and those paper tapes are taken to Sacramento and fit into another machine, and it is sort of untouched by human hands, that is the machine reads the paper tape, puts it directly into our computers and from that point on we can

summarize, interpret, turn out our tabulations, without the necessity of hiring these people. A much smaller example, but it illustrates the kind of nuts and bolts kind of thing that all large organizations have to worry about -- we have a constant problem of change order procedures in the construction process. This is particularly so in the Division of Architecture. Many people have to review and approve these documents and it is a fertile place for things to get bogged down and for added paper work to creep in. In Architecture during this past year, we did a thorough review of our change order procedure and when we got all through we had not only reduced by more than half the average amount of time it took to process this paper, we had eliminated two positions and saved $30,000 a year in the handling of this type of procedure. Also in Architecture, we have established within the last couple of years a project management system, which is nothing more than the usual kind of industrial system of production control, so that we know the work that is in the mill, we know when it is supposed to come out and we have a better control of who is working on what, and whether or not we will be able to meet our deadline, and how much man power we are applying.

In a different area, which gets a little more over into the engineering side, but illustrates some of the really large savings that we are able to get into, you might be interested to know that in the Los Angeles area, for example, during this past year we saved over a million, one hundred thousand dollars in that district alone, by planning ahead on the disposition of dirt, fill material, from current highway projects. We know ahead that we are going to need fill in other projects. We have the right of way. By coordinating between present and future projects, and then instead of having to buy, to pay twice, and by coordination we are able to move the dirt from one place to the other and save the cost on the later project. And this pays big dividends.

We also have a heavy training program for our supervisors. This I won't go into in great detail, except typical, I think, of what large organizations do. I did want to mention a couple of things that we have in mind now, and are just getting into, that I think will have a good pay off. One is a very large study which we are just in the process of developing in the Division of Highways on the potential further use of electronic data processing. Here we intend to get the services of a top national firm in this field. We have just this week received proposals from about 12 outstanding firms in this field. We have outlined carefully a scope of study; we've consulted with the Department of Finance, Mr. Blankenburg and with Personnel Board on this plan. What we are trying to do here is simply be sure, even though we were among the first to move into this field a good many years ago, that we're still up to date and doing what we should in the use of this new kind of equipment. And whether or not there are things being done in private industry and other places that we ought to know about. And we feel that it is worth the relatively small investment to get a top firm to come in and work with our people and lay out plans as to where we go from here during the next years. Now, this cuts across our whole organization. It isn't just administrative usage. This is such a rapidly advancing field, that we can't even be sure now that within the next five to ten years, where we will be able to use this or how much it will benefit us. We also, under a highway research grant, are doing a fairly extensive study of our whole accident reporting system. Here is something that cuts across local government, police departments, insurance companies. Accident reports, of course, are basic data for us, for the highway patrol, for many other organizations interested in highway safety. Under an appropriation from the Legislature in 1961 for highway safety research, we have had a conference of all people who are interested in the use of this data, both at the state and local

level and private people, and we are trying to develop a simplification and a streamlining of the information that you actually have to have about accidents for all the purposes to which this goes. This is in progress and will still last about another year, I believe, but our hope is that we can not only improve the coordination within state government but also cut down to a minimum and be sure that the information we ask the motorist to report is the things that we really need to know for planning and for administration.

I think at this point I had best pause and if there are questions, or if you would like further information along any of these lines, I will be glad to try to answer any further questions on it. We appreciate the interest of this committee. I don't want to give the impression that we feel we've got these things completely licked. I don't think any large organization ever feels self-satisfied.

McMILLAN: We have your statement with the committee, haven't we?

STANFORD: No, sir, but I judge this is being recorded. We were asked simply to appear informally. We can submit in writing anything further that you might want to get from us.

McMILLAN: Thank you very much, Mr. Stanford. Mr. Hess, did you have anything to add? Any further questions from members of the committee? If not, I thank you gentlemen very much for appearing here and for the contribution you have made. Anyone else want to be heard before this committee? If not, the committee will stand adjourned. Thank you, members and gentlemen,for appearing.